

**POPULATION INSTITUTE, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

POPULATION INSTITUTE, INC.

DECEMBER 31, 2021

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# Tapia & Huckabay, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

Board of Directors  
Population Institute, Inc.  
Washington, DC

### ***Opinion***

We have audited the accompanying financial statements of the Population Institute, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Population Institute, Inc. as of December 31, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

### ***Basis for Opinion***

We conducted our audit in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are required to be independent of the Population Institute, Inc. 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 Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's 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

***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

generally accepted auditing standards will always detect a material misstatement when it exists. The risk of detecting a material misstatement resulting from fraud is higher than 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Population Institute, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Population Institute, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

***Report on Summarized Comparative Information***

The prior year summarized comparative information has been derived from the Institute's 2020 financial statements which were audited by us and, in our report dated June 18, 2021, we expressed an unmodified opinion on those 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 financial statements from which it has been derived.

*Tapia & Suchabay, P.C.*

Vergennes, Vermont  
August 17, 2022  
Vermont Registration #108880

POPULATION INSTITUTE, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021  
(With Summarized Information for 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 1 & 11)	\$ 737,450	\$ 654,427
Cash - board designated restricted funds (Notes 1, 10 & 11)	5,680,168	2,869,895
Prepaid expenses and other assets	34,001	33,070
Bequests receivable (Notes 1 & 6)	71,490	39,670
Investments - board designated endowment (Notes 10 & 12)	1,818,805	1,664,516
Investments - charitable gift annuities (Note 8)	5,105	6,170
Property and equipment, net of accumulated depreciation (Note 4)	<u>737,034</u>	<u>761,414</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>9,084,053</u></b>	<b>\$ <u>6,029,162</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts and grants payable	\$ 104,765	\$ 18,508
Accrued expenses	43,794	39,252
Liability - charitable gift annuities (Note 8)	<u>4,230</u>	<u>4,700</u>
<b>Total Liabilities</b>	<b><u>152,789</u></b>	<b><u>62,460</u></b>
Net Assets:		
Net assets without donor restrictions:		
Operating	695,257	670,877
Board designated endowment (Notes 10 & 12)	1,818,805	1,664,516
Board designated restricted funds (Note 10)	5,680,168	2,869,895
Investment in property and equipment	737,034	761,414
Net assets with donor restrictions (Note 5)	<u>-</u>	<u>-</u>
<b>Total Net Assets</b>	<b><u>8,931,264</u></b>	<b><u>5,966,702</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>9,084,053</u></b>	<b>\$ <u>6,029,162</u></b>

See accompanying notes and independent auditor's report.

POPULATION INSTITUTE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(With Summarized Information for 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
SUPPORT AND REVENUE:				
Contributions, grants & bequests (Notes 1, 6 & 9)	\$ 4,247,140	\$ -	\$ 4,247,140	\$ 1,645,362
Net investment income (Notes 8 & 12)	154,704	-	154,704	164,196
Interest and other income	13,795	-	13,795	14,546
Net assets released from restrictions:				
Transfers to fulfill purpose or time restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>4,415,639</u>	<u>-</u>	<u>4,415,639</u>	<u>1,824,104</u>
EXPENSES AND LOSSES:				
Program services	1,109,727	-	1,109,727	1,527,399
Supporting services:				
Management and general	304,096	-	304,096	231,037
Fundraising	36,244	-	36,244	34,677
Change in liability - charitable gift annuities (Note 8)	<u>1,010</u>	<u>-</u>	<u>1,010</u>	<u>940</u>
TOTAL EXPENSES AND LOSSES	<u>1,451,077</u>	<u>-</u>	<u>1,451,077</u>	<u>1,794,053</u>
CHANGE IN NET ASSETS	2,964,562	-	2,964,562	30,051
NET ASSETS, beginning of year	<u>5,966,702</u>	<u>-</u>	<u>5,966,702</u>	<u>5,936,651</u>
NET ASSETS, end of year	<u>\$ 8,931,264</u>	<u>\$ -</u>	<u>\$ 8,931,264</u>	<u>\$ 5,966,702</u>

See accompanying notes and independent auditor's report.

POPULATION INSTITUTE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(With Summarized Information for 2020)

	Program Services	Supporting Services		2021 TOTAL	2020 TOTAL
		Management & General	Fundraising		
Salaries & wages	\$ 477,543	\$ 176,214	\$ 18,692	\$ 672,449	\$ 574,218
Benefits & taxes	122,840	45,328	4,808	172,976	149,795
Building repairs & maintenance	1,662	613	65	2,340	3,930
Communications & information technology	16,745	4,490	6,750	27,985	32,886
Conferences & workshops	332	-	-	332	9,149
Contractual services	317,164	38,850	-	356,014	387,657
Credit card processing fees	-	-	1,487	1,487	1,506
Depreciation	33,626	12,408	1,316	47,350	45,785
Dues & subscriptions	6,576	-	-	6,576	3,773
Education & training	-	3,886	-	3,886	-
Equipment costs	1,171	432	46	1,649	1,591
Fees & registrations	-	-	762	762	2,816
Grants	111,895	-	-	111,895	528,500
Insurance	5,700	2,103	223	8,026	8,075
Other expenses	-	4,256	121	4,377	3,259
Postage & shipping	300	84	1,287	1,671	2,409
Property taxes	9,025	3,330	353	12,708	12,216
Printing & copying	350	27	167	544	5,051
Professional fees	-	10,500	-	10,500	11,200
Supplies	1,936	519	55	2,510	3,298
Travel	-	-	-	-	2,395
Utilities	2,862	1,056	112	4,030	3,604
	<u>\$ 1,109,727</u>	<u>\$ 304,096</u>	<u>\$ 36,244</u>	<u>\$ 1,450,067</u>	<u>\$ 1,793,113</u>

See accompanying notes and independent auditor's report.

POPULATION INSTITUTE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(With Summarized Information for 2020)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 2,964,562	\$ 30,051
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	47,350	45,785
Realized and unrealized (gains) losses on investments	(137,997)	(146,548)
Net investment (income) loss on investments - charitable gift annuities	(415)	(671)
Change in liability - charitable gift annuities	1,010	940
(Increase) / decrease in operating assets:		
Prepaid expenses	(931)	(23,672)
Grants and bequests receivable	(31,820)	120,530
Increase / (decrease) in operating liabilities:		
Accounts and grants payable	86,257	(70,736)
Accrued expenses	4,542	18,731
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>2,932,558</u>	<u>(25,590)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(22,970)	(34,104)
Purchase of investments	(175,466)	(695,806)
Sale of investments	159,174	678,829
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>(39,262)</u>	<u>(51,081)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
None	<u>-</u>	<u>-</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,893,296	(76,671)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH:</b>		
Beginning of year	<u>3,524,322</u>	<u>3,600,993</u>
End of year	<u>\$ 6,417,618</u>	<u>\$ 3,524,322</u>

See accompanying notes and independent auditor's report.



POPULATION INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History of the Organization and Nature of Activities:

Incorporated in Washington, D.C. in 1969, Population Institute, Inc.'s ("PI", "the Institute" or "the Organization") 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. PI builds support for those policies and programs by educating policymakers, policy administrators, the media, and the general public about:

- The essential importance of achieving gender equality and promoting sexual and reproductive health and rights;
- The adverse impacts of overpopulation on the environment, scarce natural resources, biodiversity, and efforts to eliminate hunger and severe poverty in developing countries; and
- The personal, social and economic benefits that arise from expanding access to family planning services and information.

In 2008, the Institute amended its bylaws to become a membership organization with Population Media Center, Inc. ("PMC"), a Vermont non-profit corporation with a similar mission, as its sole member. Support for the Institute comes primarily from grants, contributions and bequests.

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. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to those without and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions whose restrictions are met in the same period are shown as increases in 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.

Cash and Cash Equivalents:

Except for cash and money funds in the board designated funds, the Institute treats all 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 Statement of Cash Flows.

POPULATION INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates:

The preparation of 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.

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, if material, are computed using estimated market 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 conditions are substantially met.

Comparative Financial Information:

The 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 financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE 2 – INCOME TAXES

PI is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code, and is classified as a publicly supported organization under Section 509(a)(1). Contributions to the Organization qualify for the charitable contribution deduction under Internal Revenue Code Section 170(b)(1)(A).

NOTE 3 – DONATED SERVICES

No amounts have been reflected in the financial statements for donated services. PI generally pays for services requiring specific expertise. However, a number of individuals volunteer their time and perform a variety of tasks that assist the Organization with its program, administrative and fundraising activities.

POPULATION INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 – PROPERTY AND EQUIPMENT

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

	2021	2020
Land, buildings and improvements	\$ 1,315,589	\$ 1,315,589
Equipment, furniture & fixtures	97,306	74,336
Subtotal	1,412,895	1,389,925
Less - accumulated depreciation	(675,861)	(628,511)
Net property and equipment	\$ 737,034	\$ 761,414

Additions to equipment are recorded at cost when purchased and at market value when donated. Depreciation, amounting to \$47,350 and \$45,785 for the years ended December 31, 2021 and 2020, respectively, is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	10 - 40 years
Equipment, furniture & fixtures	3 - 10 years

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

For many years before 2020, net assets with donor restrictions consisted of contributions restricted to the “Werner Fornos Fellowship Fund.” Though the Institute often receives grants and contributions restricted to specific purposes, in recent years all of this restricted support has been fully expended in the year received and therefore there have been no net assets with donor restrictions at either December 31, 2020 or 2021.

NOTE 6 – BEQUESTS RECEIVABLE

The Institute is a beneficiary of several trust and estate-related bequests currently under third party administration. For unconditional bequests, PI records a promise to give once the will or trust document has been accepted by the courts and the amount of the bequest can be reasonably estimated. Based on the nature of the promise, the contributions are considered unrestricted. Substantially all of the estimated \$71,490 in receivables at December 31, 2021 is expected to be received in 2022.

NOTE 7 – PENSION PLAN

The Institute maintains a 401(k) pension plan for the benefit of its employees. Employees who meet certain age and service requirements are eligible to participate. The Institute makes contributions to the Plan of 8% of each covered employee’s compensation. Employees can also make deferrals to the Plan up to statutory limits. Employer contributions to the pension plan were \$41,627 in 2020 and \$45,344 in 2021.

POPULATION INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 8 – CHARITABLE GIFT ANNUITIES

The Organization administers several charitable gift annuities (“CGAs”). A charitable gift annuity provides 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 agreement’s term, the remaining assets are available for the Organization’s use. No agreements were established in 2020 or 2021. Charitable gift annuity assets, invested in mutual funds, held in a separate investment account and administered by a third-party trustee, are reported at fair market value (determined by “Level 1” inputs by reference to quoted market prices) in the Organization’s Statement 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 Statement of Activities is the current year change in the present value of the liability. Net investment income on the charitable gift annuity assets (\$671 for 2020 and \$415 for 2021) is included in net investment income on the Statement of Activities.

NOTE 9 – CONCENTRATION OF REVENUE

Population Institute received \$1,500,000 in 2020 and \$4,000,000 in 2021 from one charitable gift fund – amounts representing approximately 82% and 91% of total revenue for those years.

NOTE 10 – BOARD DESIGNATED NET ASSETS

The Organization created two board designated funds in 2017:

- The first fund, created in June 2017 using \$1,300,000 in proceeds from the sale of real property to open a new investment account, is designated for the long-term support of the Organization.
- The second fund, created in October 2017 with \$3,000,000 in proceeds from a certain community foundation and currently invested in several money market, checking accounts, and certificates of deposit, is designated for the support of targeted programmatic activities. \$2,000,000 was added to the fund in 2018. \$426,351 was released from the fund in 2017, \$353,657 was released in 2018, \$1,242,235 was released in 2019 and \$107,862 was released in 2020. \$2,810,273 was added in 2021.

NOTE 11 – CONCENTRATION OF CASH ON DEPOSIT

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

POPULATION INSTITUTE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 12 – INVESTMENTS

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

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation) Appreciation</u>
As of December 31, 2021:			
Money funds	\$ 221,812	\$ 221,812	\$ -
Fixed income securities & mutual funds	825,789	795,991	(29,798)
Equities & equity mutual funds	<u>373,359</u>	<u>801,002</u>	<u>427,643</u>
	<u>\$ 1,420,960</u>	<u>\$ 1,818,805</u>	<u>\$ 397,845</u>
As of December 31, 2020:			
Money funds	\$ 201,256	\$ 201,256	\$ -
Fixed income securities & mutual funds	764,217	790,966	26,749
Equities & equity mutual funds	<u>436,031</u>	<u>672,294</u>	<u>236,263</u>
	<u>\$ 1,401,504</u>	<u>\$ 1,664,516</u>	<u>\$ 263,012</u>

Net investment income (loss) is summarized as follows (not including net investment income on the charitable gift assets discussed in Note 8 above):

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 29,104	\$ 28,234
Realized & unrealized gains / (losses)	137,997	146,548
Investment fees	<u>(12,812)</u>	<u>(11,257)</u>
Net gain (loss) on investments	<u>\$ 154,289</u>	<u>\$ 163,525</u>

NOTE 13 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs have been summarized on a functional basis in the Statement of Activities. The Institute 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.

NOTE 14 – RELATED PARTY TRANSACTION

Included in grants expense on the Statement of Functional Expenses for 2020 is a \$500,000 grant to Population Media Center, Inc. – the Institute’s parent – in August 2020.

POPULATION INSTITUTE, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Institute’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 above. 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 Institute’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 cash equivalents	\$ 737,450	\$ 654,427
Receivables expected to be collected in the coming year	71,490	39,670
Subtract: net assets with donor restrictions for specific purposes	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 808,940	\$ 694,097

NOTE 16 - SUBSEQUENT EVENTS AND REPORT ISSUANCE DATE

Management has evaluated events subsequent to December 31, 2021 through August 17, 2022 (the date these financial statements were available to be issued) for potential recognition or disclosure as required under U.S. generally accepted accounting principles.