Population Institute, Inc.

Financial Statements

(With Independent Auditors' Report)

December 31, 2022 and 2021

Population Institute, Inc.
December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Population Institute, Inc.
Washington, DC

We have audited the accompanying financial statements of Population Institute, Inc. (a nonprofit organization) (the "Institute" or the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of December 31, 2022, 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 Financial Statements section of our report. We are required to be independent of the Institute 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these 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 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 Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute'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 2021 financial statements which were audited by other auditors and 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, 2021, is consistent in all material respects, with the audited financial statements from which it has been derived.

McSoley McCoy & Co.

South Burlington, Vermont
September 29, 2023
VT Reg. No. 92-34

Population Institute, Inc.
Statements of Financial Position
December 31, 2022 and 2021

		2022		2021
Assets:				
Cash and cash equivalents	$	2,900,847	$	737,450
Cash - board designated restricted funds		4,418,059		5,680,168
Prepaid expenses and other assets		33,550		34,001
Bequests receivable		75,370		71,490
Investments - board designated quasi endowment		1,551,083		1,818,805
Investments - charitable gift annuities		2,945		5,105
Property and equipment, net of accumulated depreciation		684,846		737,034
Total assets	$	9,666,700	$	9,084,053
Liabilities and Net Assets:				
Accounts payable	$	201,236	$	104,765
Accrued expenses		56,723		43,794
Liability - charitable gift annuities		2,750		4,230
Total liabilities		260,709		152,789
Net assets without donor restrictions:				
Operating		2,752,003		695,257
Board designated quasi endowment		1,551,083		1,818,805
Board designated restricted funds		4,418,059		5,680,168
Investment in property and equipment		684,846		737,034
Total net assets		9,405,991		8,931,264
Total liabilities and net assets	$	9,666,700	$	9,084,053

The accompanying notes are an integral part of these statements.

Population Institute, Inc.
Statements 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
Revenues, gains and other support:				
Contributions, grants and bequests	$ 2,266,257	$ -	$ 2,266,257	$ 4,247,140
Net investment income (loss)	(269,083)	-	(269,083)	154,289
Interest and other income	30,983	-	30,983	13,795
Change in liability - charitable gift annuities	680	-	680	(595)
Total revenues and support	2,028,837	-	2,028,837	4,414,629
Expenses:				
Program services	1,262,109	-	1,262,109	1,109,727
Supporting services:				
Management and general	260,922	-	260,922	304,096
Fundraising	31,079	-	31,079	36,244
Total expenses	1,554,110	-	1,554,110	1,450,067
Change in net assets	474,727	-	474,727	2,964,562
Net assets - beginning of year	8,931,264	-	8,931,264	5,966,702
Net assets - end of year	$ 9,405,991	$ -	$ 9,405,991	$ 8,931,264

The accompanying notes are an integral part of these statements.

Population Institute, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2022
(With Summarized Financial Information for 2021)

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	2022 Total	2021 Total
Salaries and wages	$ 499,705	$ 134,536	$ 6,405	$ 640,646	$ 672,449
Benefits and taxes	127,257	34,262	1,631	163,150	172,976
Building repairs and maintenance	-	293	-	293	2,340
Communications and information technology	60,635	22,698	-	83,333	27,985
Conferences and workshops	1,703	-	-	1,703	332
Contractual services	330,043	-	15,500	345,543	356,014
Credit card processing fees	-	577	2,191	2,768	1,487
Depreciation	40,707	10,959	522	52,188	47,350
Dues and subscriptions	3,923	-	-	3,923	6,576
Education and training	1,100	-	-	1,100	3,886
Equipment costs	-	-	-	-	1,649
Fees and registrations	-	-	-	-	762
Grants	155,500	-	-	155,500	111,895
Insurance	8,162	2,197	105	10,464	8,026
Other expenses	-	40,838	-	40,838	4,377
Postage and shipping	264	-	2,916	3,180	1,671
Property taxes	11,515	3,100	148	14,763	12,708
Printing and copying	5,519	-	1,609	7,128	544
Professional fees	-	10,200	-	10,200	10,500
Supplies	227	-	-	227	2,510
Travel	11,806	174	-	11,980	-
Utilities	4,043	1,088	52	5,183	4,030
	$ 1,262,109	$ 260,922	$ 31,079	$ 1,554,110	$ 1,450,067

The accompanying notes are an integral part of these statements.

Population Institute, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flow from operating activities:		
Change in net assets	$ 474,727	$ 2,964,562
Adjustments to reconcile change in net assets to net cash provided (used in) by operating activities:		
Depreciation	52,188	47,350
Realized and unrealized (gains) losses on investments	289,072	(137,997)
Change in charitable gift annuities	680	595
(Increase) decrease in operating assets:		
Prepaid expenses	451	(931)
Grants and bequests receivable	(3,880)	(31,820)
Increase in operating liabilities:		
Accounts and grants payable	96,471	86,257
Accrued expenses	12,929	4,542
Total adjustments	447,911	(32,004)
Net cash provided by operating activities	922,638	2,932,558
Cash flows from investing activities:		
Acquisition of property and equipment	-	(22,970)
Purchase of investments	(735,871)	(175,466)
Sale of investments	714,521	159,174
Net cash used in investing activities	(21,350)	(39,262)
Net increase in cash and cash equivalents	901,288	2,893,296
Cash and cash equivalents, beginning of year	6,417,618	3,524,322
Cash and cash equivalents, end of year	$ 7,318,906	$ 6,417,618
Cash consists of:		
Unrestricted cash	2,900,847	737,450
Restricted cash	4,418,059	5,680,168
	$ 7,318,906	$ 6,417,618

The accompanying notes are an integral part of these statements.

1. Summary of Significant Accounting Policies

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

The Institute is a member organization of 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.

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

Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to two classes of net assets: those with donor restrictions and those without. Contributions received are recorded as either "with donor restrictions" or "without donor restrictions" depending upon the existence and/or nature of any donor-imposed restrictions. 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 Statements of Cash Flows.

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.

Summary of Significant Accounting Policies (continued)

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, 2021, from which the summarized information was derived.

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.

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

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.

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

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

Three levels of inputs that may be used to measure fair value are as follows:

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

Summary of Significant Accounting Policies (continued)

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 Institute'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.

Subsequent Events and Report Issuance Date

Management has evaluated events subsequent to December 31, 2022 through September 29, 2023 (the date these financial statements were available to be issued) for potential recognition or disclosure as required under U.S. generally accepted accounting principles

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).

FASB ASC 740, Income Taxes, requires entities to disclose in their 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 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 and Facilities

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 Institute with its program, administrative and fundraising activities.

4. Property and Equipment

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

	2022	2021
Land, buildings and improvements	$ 1,315,589	$ 1,315,589
Equipment, furniture & fixtures	97,306	97,306
Subtotal	1,412,895	1,412,895
Less - accumulated depreciation	(728,049)	(675,861)
Net property and equipment	$ 684,846	$ 737,034

Depreciation, amounting to $52,188 and $47,350 for the years ended December 31, 2022 and 2021, respectively.

5. Net Assets with Donor Restrictions

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, 2022 and 2021.

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 $75,370 in receivables December 31, 2022 is expected to be received in 2023.

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 $49,197 and $45,344 for the years ended December 31, 2022 and 2021.

8. Concentration of Revenue

Population Institute received $2,000,000 and $4,000,000 for the years ended December 31, 2022 and 2021 from one charitable gift fund – amounts representing approximately 99% and 91% of total revenue for those years.

9. 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. In 2018, $2,000,000 was added to the fund.

10. 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.

11. 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.

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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:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
As of December 31, 2022:			
Money market funds	$ 42,036	$ 42,036	$ -
Fixed income securities and mutual funds	868,259	802,619	(65,640)
Equities and equity mutual funds	585,650	706,428	120,778
	$ 1,495,945	$ 1,551,083	$ 55,138
As of December 31, 2021:			
Money market funds	$ 221,812	$ 221,812	$ -
Fixed income securities and mutual funds	825,789	795,991	(29,798)
Equities and equity mutual funds	373,359	801,002	427,643
	$ 1,420,960	$ 1,818,805	$ 397,845

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

	2022	2021
Interest and dividends	$ 32,467	$ 29,104
Realized and unrealized gains (loss)	(289,072)	137,997
Investment fees	(12,478)	(12,812)
Net investment income	$ (269,083)	$ 154,289

13. 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 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.

	2022	2021
Cash and cash equivalents	$ 2,900,847	$ 737,450
Receivables expected to be collected in the coming year	75,370	71,490
Financial assets available to meet cash needs for general expenditures within one year	$ 2,976,217	$ 808,940