

Population Institute, Inc.
Financial Statements
(With Independent Auditors' Report)

December 31, 2024 and 2023

Population Institute, Inc.
December 31, 2024 and 2023

Table of Contents

	Page(s)
Independent Auditors' Report	
Statements of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Population Institute, Inc. (a nonprofit organization) (the “Institute” or the “Organization”), which comprises the statement of financial position as of December 31, 2024, 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, 2024, 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 objectives are 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 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

We have previously audited the Institute's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McSoley McCoy & Co.

South Burlington, Vermont
April 15, 2025
VT Reg. No. 92-349

Population Institute, Inc.
 Statements of Financial Position
 December 31, 2024 and 2023

	2024	2023
<u>Assets:</u>		
Cash and cash equivalents	\$ 11,094,725	\$ 6,463,535
Cash - board designated restricted funds	208,145	2,831,831
Prepaid expenses and other assets	9,113	7,703
Due from PMC	-	62,994
Bequests receivable	68,277	75,370
Investments - board designated quasi endowment	1,946,365	1,759,657
Investments - charitable gift annuities	-	2,212
Other assets	100	-
Property and equipment, net of accumulated depreciation	687,372	709,672
Total assets	\$ 14,014,097	\$ 11,912,974
 <u>Liabilities and Net Assets:</u>		
Accounts payable	\$ 46,108	\$ 199,683
Accrued expenses	36,685	47,324
Deferred revenue	10,500	-
Other liabilities	500	-
Liability - charitable gift annuities	-	1,840
Total liabilities	93,793	248,847
 Net assets without donor restrictions:		
Operating	11,078,422	6,362,967
Board designated quasi endowment	1,946,365	1,759,657
Board designated restricted funds	208,145	2,831,831
Investment in property and equipment	687,372	709,672
Total net assets	13,920,304	11,664,127
Total liabilities and net assets	\$ 14,014,097	\$ 11,912,974

The accompanying notes to the financial statements

Population Institute, Inc.
Statement of Activities
For the Year Ended December 31, 2024
(With Summarized Financial Information for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<u>Revenues, gains and other support:</u>				
Contributions, grants and bequests	\$ 5,246,805	\$ -	\$ 5,246,805	\$ 4,094,298
Net investment income	186,443	-	186,443	208,928
Interest and other income	191,250	-	191,250	156,342
Change in liability - charitable gift annuities	<u>372</u>	<u>-</u>	<u>372</u>	<u>(177)</u>
Total revenues, gains, and other support	<u>5,624,870</u>	<u>-</u>	<u>5,624,870</u>	<u>4,459,391</u>
<u>Expenses:</u>				
Program services	2,623,686	-	2,623,686	1,586,228
Supporting services:				
Management and general	403,141	-	403,141	386,282
Fundraising	<u>341,866</u>	<u>-</u>	<u>341,866</u>	<u>228,745</u>
Total expenses	<u>3,368,693</u>	<u>-</u>	<u>3,368,693</u>	<u>2,201,255</u>
Change in net assets	2,256,177	-	2,256,177	2,258,136
Net assets - beginning of year	<u>11,664,127</u>	<u>-</u>	<u>11,664,127</u>	<u>9,405,991</u>
Net assets - end of year	<u>\$ 13,920,304</u>	<u>\$ -</u>	<u>\$ 13,920,304</u>	<u>\$ 11,664,127</u>

The accompanying notes to the financial statements

Population Institute, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024
(With Summarized Financial Information for 2023)

	Program Services	Supporting Services		2024 Total	2023 Total
		Management and General	Fundraising		
Salaries and wages	\$ 636,732	\$ 224,387	\$ 154,294	\$ 1,015,413	\$ 825,187
Benefits and taxes	182,902	64,455	44,321	291,678	231,807
Bequest write-off	-	3,840	-	3,840	-
Building repairs and maintenance	-	7,241	100,570	107,811	16,539
Communications and information technology	75,631	33,776	12,751	122,158	64,452
Conferences and workshops	12,787	12,048	-	24,835	8,773
Contractual services	159,634	-	641	160,275	150,232
Credit card processing fees	-	2,394	1,087	3,481	1,551
Depreciation	33,264	11,722	8,061	53,047	52,252
Dues and subscriptions	13,528	-	2,090	15,618	6,862
Education and training	1,552	-	-	1,552	2,685
Events	-	3,976	532	4,508	4,966
Fees and registrations	-	-	5,544	5,544	-
Grants	1,119,102	-	-	1,119,102	406,245
Insurance	7,440	2,622	1,803	11,865	22,116
Other expenses	-	13,760	-	13,760	57,724
Postage and shipping	9,306	-	3,392	12,698	16,732
Property taxes	10,333	3,642	2,504	16,479	11,776
Printing and copying	42,749	-	1,978	44,727	30,848
Professional fees	-	13,800	-	13,800	14,837
Jr. Fellows	4,000	-	-	4,000	9,200
Sr. Fellows	280,000	-	-	280,000	239,000
Supplies	38	-	-	38	2,182
Travel	30,592	4,035	1,305	35,932	20,037
Utilities	4,096	1,443	993	6,532	5,252
	<u>\$ 2,623,686</u>	<u>\$ 403,141</u>	<u>\$ 341,866</u>	<u>\$ 3,368,693</u>	<u>\$ 2,201,255</u>

The accompanying notes to the financial statements

Population Institute, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 2,256,177	\$ 2,258,136
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	53,047	52,252
Realized and unrealized gains on investments	(157,607)	(182,131)
In-kind stock donation	(100)	-
Loss on disposal of asset	89	-
Change in charitable gift annuities	372	(177)
Bequest write-off	3,840	-
(Increase) decrease in operating assets:		
Due from PMC	62,994	(62,994)
Prepaid expenses	(1,410)	25,847
Bequests receivable	3,253	-
Increase (decrease) in operating liabilities:		
Accounts payable	(153,575)	(1,553)
Accrued expenses	(10,639)	(9,399)
Deferred revenue	10,500	-
Other liabilities	500	-
Total adjustments	(188,736)	(178,155)
Net cash provided by operating activities	2,067,441	2,079,981
<u>Cash flows from investing activities:</u>		
Acquisition of property and equipment	(30,836)	(77,078)
Purchase of investments	(653,014)	(364,019)
Sale of investments	623,913	337,576
Net cash provided by (used in) investing activities	(59,937)	(103,521)
Net increase in cash and cash equivalents	2,007,504	1,976,460
Cash and cash equivalents, beginning of year	9,295,366	7,318,906
Cash and cash equivalents, end of year	\$ 11,302,870	\$ 9,295,366
Cash consists of:		
Unrestricted cash	\$ 11,094,725	\$ 6,463,535
Restricted cash	208,145	2,831,831
	\$ 11,302,870	\$ 9,295,366

The accompanying notes to the financial statements

POPULATION INSTITUTE, INC.

Notes to Financial Statements

December 31, 2024 and 2023

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. As of January 1, 2025, the Organization transitioned back to being a fully independent 501(c)(3) Organization, concluding their formal partnership with PMC. This separation did not impose any change in the Organization's mission or business activity. 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.

POPULATION INSTITUTE, INC.

Notes to Financial Statements

December 31, 2024 and 2023

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, 2023, 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.

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

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

POPULATION INSTITUTE, INC.

Notes to Financial Statements

December 31, 2024 and 2023

Summary of Significant Accounting Policies (continued)

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 through April 15, 2025 (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, 2021.

POPULATION INSTITUTE, INC.

Notes to Financial Statements

December 31, 2024 and 2023

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:

	<u>2024</u>	<u>2023</u>
Land, buildings and improvements	\$ 1,423,503	\$ 1,392,667
Equipment, furniture and fixtures	<u>96,806</u>	<u>97,306</u>
Subtotal	1,520,309	1,489,973
Less - accumulated depreciation	<u>(832,937)</u>	<u>(780,301)</u>
Net property and equipment	<u>\$ 687,372</u>	<u>\$ 709,672</u>

From time to time, the Company incurs costs related to construction in progress (CIP), which are initially recorded in prepaid expenses when payments are made before the asset is placed into service. As of December 31, 2024 there was \$2,795 of CIP for the security system and cameras.

Depreciation amounted to \$53,047 and \$52,252 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023.

6. Deferred Revenue

The Organization receives grants from government agencies, foundations, and other entities to support its programs and activities. Some grants contain conditions that must be met before revenue can be recognized, such as specific performance obligations or expenditure requirements. Until such conditions are met, grant funds received in advance are recorded as deferred revenue.

POPULATION INSTITUTE, INC.

Notes to Financial Statements

December 31, 2024 and 2023

7. Bequests Receivable

Bequests receivable represent amounts promised to the Organization through wills and estate settlements. These amounts are recorded as contribution revenue when the probate process is substantially complete, and the amount can be reasonably estimated. Bequests receivable are reported at their estimated realizable value. Management evaluates collectability based on past collection experience and known estate settlement risks. Based on the nature of the promise, the contributions are considered unrestricted. Bequests receivable as of December 31, 2024 and 2023 was \$68,277 and \$75,370, respectively.

Management reviews outstanding bequests receivable periodically for collectability. If amounts are deemed uncollectible due to legal disputes, insufficient estate assets, or other factors, they are written off. As of December 31, 2024 and 2023, the Organization recorded write-offs of \$3,890 and \$0, respectively, related to bequests that were determined to be uncollectible.

8. Retirement Plan

The Institute maintains a 401(k) retirement 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 retirement plan were \$70,718 and \$58,534 for the years ended December 31, 2024 and 2023, respectively.

9. Concentration of Revenue

The Institute received \$5,000,000 and \$4,000,000 for the years ended December 31, 2024 and 2023, respectively, from one charitable gift fund – amounts representing approximately 89% and 90% of total revenue for those years.

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

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, 2024 and 2023

12. 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.

13. 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 (Depreciation) Appreciation
As of December 31, 2024:			
Money market funds	\$ 43,760	\$ 43,760	\$ -
Fixed income securities and mutual funds	835,977	806,203	(29,774)
Equities and equity mutual funds	743,328	1,096,402	353,074
	\$ 1,623,065	\$ 1,946,365	\$ 323,300
	Cost	Fair Value	Unrealized (Depreciation) Appreciation
As of December 31, 2023:			
Money market funds	\$ 44,726	\$ 44,726	\$ -
Fixed income securities and mutual funds	781,375	748,048	(33,327)
Equities and equity mutual funds	690,936	966,883	275,947
	\$ 1,517,037	\$ 1,759,657	\$ 242,620

Net investment income is summarized as follows (not including net investment income (loss) on the charitable gift assets):

	2024	2023
Interest and dividends	\$ 43,242	\$ 35,677
Realized and unrealized gains	157,607	182,131
Investment fees	(13,927)	(8,880)
Net investment income	\$ 186,922	\$ 208,928

POPULATION INSTITUTE, INC.

Notes to Financial Statements

December 31, 2024 and 2023

14. 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.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 11,094,725	\$ 6,463,535
Receivables expected to be collected in the coming year	<u>68,277</u>	<u>75,370</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,163,002</u>	<u>\$ 6,538,905</u>

15. Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be comparable to the current year financial statements.