

Micronutrient Forum

Financial Report
September 24, 2018 (Inception)
through December 31, 2019

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Statement of the Board Chair For the Year Ended December 31, 2019

The period covered by this audit - the end of 2018 and all calendar 2019 - represents the launch of the Micronutrient Forum (Forum) as an independent legal entity. However, the Forum's well-regarded programmatic legacy has been established over more than a decade of operations. Because of the tireless effort of countless **volunteers**, the Micronutrient Forum (as a program within other organizations) built a reputation as a scientific conference and convener focused on disseminating and promoting knowledge with respect to micronutrient research and programs. The reason the Micronutrient Forum was able to operate for so long as an informal organization is because it addressed a discrete need in the nutrition community: an independent knowledge broker, capable of convening a variety of stakeholders to drive progress on micronutrient malnutrition. 2018 marked a transition year as the Forum sought to institutionalize its operations and expand its work.

The period covered by this audit includes three key organizational milestones:

Launch of the 2019-2021 strategy: Dialogue and collective action to promote health and well-being. This strategy identifies the gaps in knowledge and implementation with respect to reducing mineral and vitamin deficiencies in Low and Middle Income Countries (LMICs) and recommends and advocates for the Goals, Tactics, and Products the Forum required to fill that gap.

Appointment of the Forum's first Executive directors: Dr. Saskia Osendarp. To ensure programmatic consistency with less reliance on volunteerism, and to cement the Forum's reputation as a technical leader, the Forum appointed Dr. Osendarp as Executive Director and President.

Formalized independence: A D.C.-based nonprofit corporation hosted by IFPRI. The Forum maintains its reputation of independence by not becoming involved in direct implementation of programs to ensure our work as a knowledge broker and convener is independent, collaborative, and evidence-based.

With the above organizational scaffolding in place, the Micronutrient Forum dramatically increase its programmatic work. During Dr. Osendarp's first year as Executive Director, the Forum made major strides in executing against its strategic plan. Specifically:

Coordinating progress on maternal Micronutrient Supplementation (MMS)

The Forum served as the tent pole partner for the Bill and Melinda Gates Foundation Health Mothers Healthy Babies Accelerator. A project that engaged 12 partners and solicited nearly \$50M in commitments to reach more than 17.5 million pregnant women and their newborns with better health and nutrition through multiple micronutrient supplements.

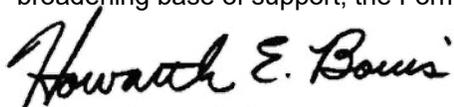
Preparing for the 2020 Global Conference

The Biennial Micronutrient Forum Global Conference remains the Forum's hallmark event, focused on disseminating micronutrient science and promoting cross-sector engagement. The program committee developed a robust scientific program informed by an overwhelming response to our call for hot topics and abstracts.

Promoting more robust data and analysis of global micronutrient issues.

With funding from the Bill and Melinda Gates Foundation, in late 2019 the Forum initiated several activities to address data and analysis shortcomings that often hamper micronutrient programming and advocacy. These programs include developing a global data strategy, consolidating requirements for biomarker collection in national surveys, and providing technical assistance to the Institute for Health Metrics and Evaluation on the Global Burden of Disease report.

The work we initiated in 2018 and 2019 is important, but the world is a different place today than it was last year. With a viral pandemic and global recession threatening the health and food security of populations across the globe, the Forum's unique collaborative and independent approach is more important now than ever. As we wrote at the launch of the strategic plan: achieving the Forum's vision is not an ambition, it's a mandate. In 2018-2019 the Micronutrient made progress accomplishing that mandate with organizational investment and programmatic development. With our technical expertise, strong financial position, and broadening base of support, the Forum looks forward to meeting the challenges ahead.

A handwritten signature in black ink that reads "Howarth E. Bouis". The signature is written in a cursive, flowing style.

Howarth Bouis, PhD
Chair, Board of Directors
September 22, 2020



**Management Statement of Responsibility
for Financial Reporting and Internal Controls**

The accompanying financial statements of the Micronutrient Forum (Forum), for the years ended December 31, 2018 and 2019, are the responsibility of management.

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America. The Forum maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded, and transactions are properly recorded and executed in accordance with management's authorization.

The system of reporting within the Forum presents management with an accurate view of the operations, providing a reliable basis for our financial statements.

The Board of Trustees exercises its responsibility for these financial statements through its Audit Committee. The Audit Committee meets regularly with management and representatives of the external and internal auditors to review matters relating to financial reporting, internal controls, and auditing. The Audit Committee recommends to the Board the appointment of an external audit firm. The external audit for 2018 and 2019 was performed by RSM.

A handwritten signature in black ink, appearing to read "Saskia Osendarp".

Saskia Osendarp, PhD
President & Executive Director
September 22, 2020



Independent Auditor's Report

RSM US LLP

Audit Committee of the Board of Directors
Micronutrient Forum

Report on the Financial Statements

We have audited the accompanying financial statements of Micronutrient Forum (the Forum), which comprise the statement of financial position as of December 31, 2019, the related statement of activities, functional expenses, and cash flows for the period of September 24, 2018 (Inception) through December 31, 2019, and the related notes to the financial statements (collectively, the financial statements).

Management's Responsibility 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.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Micronutrient Forum as of December 31, 2019 and the changes in its net assets and its cash flows for the for the period of September 24, 2018 (Inception) through December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Washington, D.C.
September 22, 2020

Micronutrient Forum

**Statement of Financial Position
December 31, 2019**

Assets

Cash	\$	662,089
Advances, prepaids and other assets		298,432
Accounts receivable		<u>7,521</u>
Total assets	\$	<u><u>968,042</u></u>

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$	155,423
Unexpended project funds		<u>753,083</u>
Total liabilities		<u>908,506</u>

Commitments and contingencies (Notes 4 and 6)

Net assets (deficit):

Net assets deficit without donor restrictions		(40,464)
Net assets with donor restrictions		<u>100,000</u>
Total net assets		<u>59,536</u>

Total liabilities and net assets **\$** **968,042**

See notes to financial statements.

Micronutrient Forum

Statement of Activities

September 24, 2018 (Inception) through December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Grant revenue	\$ 561,689	\$ -	\$ 561,689
Unconditional contributions	175,000	100,000	275,000
Total revenue and other support	736,689	100,000	836,689
Expenses:			
Program services	605,249	-	605,249
Supporting services			
Management and general	96,645	-	96,645
Fundraising	75,259	-	75,259
Total support services	171,904	-	171,904
Total expenses	777,153	-	777,153
Change in net assets	(40,464)	100,000	59,536
Net assets:			
Beginning	-	-	-
Ending	\$ (40,464)	\$ 100,000	\$ 59,536

See notes to financial statements.

Micronutrient Forum

Statement of Functional Expenses

September 24, 2018 (Inception) through December 31, 2019

	Program Services	Management and General	Fundraising	Total
Consultants and subcontractors	\$ 357,980	\$ 1,770	\$ 24,011	\$ 383,761
Salaries and wages	199,560	36,267	50,215	286,042
Travel	41,358	4,161	1,033	46,552
Legal fees	-	37,505	-	37,505
Office expenses	-	8,377	-	8,377
Insurance	-	7,271	-	7,271
Other expenses	4,292	1,117	-	5,409
Equipment rental and maintenance	1,459	177	-	1,636
Professional services	600	-	-	600
Total expenses	\$ 605,249	\$ 96,645	\$ 75,259	\$ 777,153

See notes to financial statements.

Micronutrient Forum

Statement of Cash Flows

September 24, 2018 (Inception) through December 31, 2019

Cash flows from operating activities:	
Change in net assets	\$ 59,536
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in:	
Advances, prepaids and other assets	(298,432)
Accounts receivable	(7,521)
Increase (decrease) in:	
Accounts payable and accrued expenses	155,423
Unexpended project funds	753,083
Net cash provided by operating activities	<u>662,089</u>
Cash:	
Beginning	<u>-</u>
Ending	<u>\$ 662,089</u>

See notes to financial statements.

Micronutrient Forum

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Beginning in 2006, the Micronutrient Forum (the Forum) has been an active convener and technical resource focused on micronutrients within the larger nutrition and global development ecosystem. Having held four successful global conferences with thousands of attendees from across the globe and conducted several successful consultations to create and disseminate evidence-based knowledge and promote the scale-up of impactful micronutrient programs, the Forum is well known for its technical expertise, impartiality, and ability to facilitate challenging conversation.

To accomplish its vision, the Forum developed a strategy to leverage its role as a coordinating body to facilitate and coordinate dialogue and collective action to ensure efforts to support micronutrient health are evidence based, comprehensive, cost-efficient, and effective.

Between 2011 and the end of 2018, the Forum was hosted by Nutrition International and the organization was directed by a volunteer Steering Committee with a small technical and administrative staff. During this time, the Forum developed a reputation as a trusted intermediary by bringing diverse groups together, providing technical depth on a range of micronutrients, and catalyzing challenging but necessary conversations. As the only micronutrient focused convening organization with a global and multi-sectoral reach that works across the range of vitamins and minerals, the Forum is uniquely positioned as the go-to resource for micronutrient related dialogue and evidence synthesis.

On September 24, 2018 the Forum registered as a nonprofit 501(c)(3) organization in the United States, and has continued to develop the following three products across a variety of topical areas in micronutrients:

- **Advocacy:** Facilitating coordinated action among diverse stakeholders about micronutrient malnutrition and how to address it.
- **Consultations:** Bringing together global experts on key topics to synthesize existing knowledge into actionable insight.
- **Convenings:** Creating a venue for a multi-sectoral evidenced-based exchange of information and necessary conversations.

A summary of the Forum's significant accounting policies follows:

Basis of accounting: The financial statements are prepared on the accrual basis of accounting, whereby unconditional support is recognized when notification of the contribution is received, revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: The Forum follows the accounting and reporting practices set forth in the Not-For-Profit Topic of the Accounting Standards Codification (ASC). As such, the Forum is required to report information regarding its financial position and activities within two classes of net assets, as follows:

Net assets without donor restrictions: Net assets without donor restrictions represent funds that are available for the support of the Forum's operations.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Forum \$100,000 in net assets with donor restrictions at December 31, 2019.

Micronutrient Forum

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Adoption of recent accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles (U.S. GAAP). The updated standard also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The Forum adopted the new standard in these financial statements. See the revenue recognition section of this footnote for disclosures.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. Where the Forum is the resource recipient, the ASU was adopted in these financial statements.

Financial risk: The Forum maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Forum has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash. Management has evaluated and determined this is consistent with industry standards.

Accounts receivable, net: Accounts receivable are carried at original invoice amounts less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and the by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. An accounts receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 6 months. No interest is charged on past due receivables. There was no allowance at December 31, 2019.

Revenue recognition: The Forum's revenue is primarily derived from cost-reimbursement-type grants and contracts, which are accounted for as conditional contributions. Revenue is recognized when the conditions of the grants are met, generally over the grant period as related allowable expenses are incurred.

Unconditional contributions are recognized when received. All unconditional contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional contributions that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted contributions based on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted unconditional contributions whose restrictions are met in the same year the contribution is received are shown as without donor restrictions.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and functional expenses. All expenses are directly identifiable and there are no expense allocations.

Income taxes: Under the provisions of Sections 501(c)(3) of the Internal Revenue Code (IRC) and the applicable income tax regulations of the District of Columbia, the Forum is exempt from taxes on income other than unrelated business income. The Forum has been classified as an organization that is not a private foundation.

Management evaluated the Forum's tax positions and concluded that the Forum has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Micronutrient Forum

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Use of estimates: The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Subsequent events: The Forum evaluated subsequent events through September 22, 2020, which is the date the financial statements were available to be issued. See Note 6.

Note 2. Advances, Prepays, and Other Current Assets

Advances, prepays, and other current assets consisted of the following as of December 31, 2019:

Conference advances	\$ 11,876
Venue deposits for 2020 conference	283,785
Other prepaid expenses	2,771
	<u>\$ 298,432</u>

Note 3. Liquidity and Availability

The Forum regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 662,089
Accounts receivable	7,521
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 669,610</u>

Note 4. Commitments and Contingencies

A substantial portion of revenue is subject to audit by grantors. These audits may result in a liability payable to the grantor. The amount, if any, of expenditures, which may be potentially disallowed, cannot be determined at this time, although management expects such amounts to be immaterial to the statements of financial position, activities and cash flows.

The Forum has a hosting and service agreement with the International Food Policy Research Institute (IFPRI) through December 31, 2021 which will automatically renew on an annual basis. Under the agreement, the Forum reimburses IFPRI for all costs incurred by IFPRI on the Forum's behalf. The Forum also pays IFPRI supporting expenses based on agreed upon hourly rates or percentages of expenses.

Micronutrient Forum

Notes to Financial Statements

Note 5. Conditional Contributions

Conditional contributions are recognized as earned in the period in which the Forum incurs qualified expenses which also meet the condition. Conditional contribution funds received in excess of costs incurred are recorded as unexpended project funds until earned. Costs incurred in excess of funds received are recorded as accounts receivable. As of December 31, 2019, the following are conditional contributions by funder:

Funder	Total Conditional Contribution	Amount Earned Through 2019	Amount of Conditional Contribution Left to Earn
Cash grants from Donors	\$ 2,922,858	\$ 534,831	\$ 2,388,027

Note 6. Subsequent Events

In January 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Forum's activities. Management is continually monitoring the impact of COVID-19 and will adjust activities should there be a significant impact on the economy.

The Forum's 5th Global Conference, originally scheduled for March 2020 was postponed until November 2020 due to the COVID-19 pandemic and will be produced digitally, rather than held in-person as originally planned. At the present time the Forum believes the digital event will achieve the programmatic and budgetary goals established before the pandemic, but the COVID-19 pandemic might impair the Forum's ability to meet those goals. The Forum did incur cancellation fees due to the postponement and is currently working with its vendors to determine final amounts.