

Micronutrient Forum

Financial Report
December 31, 2020

Contents

Statement of the board chair	1-2
Management statement of responsibility for financial reporting and internal controls	3
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Independent auditor's report	4
<hr/>	
Financial statements	
Statements of financial position	5
Statements of activities	6-7
Statements of functional expenses	8-9
Statements of cash flows	10
Notes to financial statements	11-14



**Statement of the Board Chair
For the Year Ended December 31, 2020**

The period covered by this audit – January 1 to December 31, 2020 - represents the Micronutrient Forum’s (Forum) second full year of operations as an independent legal entity. The Forum continued to build on its reputation as a scientific conference convener and an independent knowledge broker capable of convening a variety of stakeholders to drive progress on micronutrient malnutrition. 2020 marked a transition year as the Forum greatly expanded its programming and further institutionalized operations.

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

Micronutrient Forum 5th Global Conference 2020: CONNECTED

Originally scheduled as an in-person event in March 2020, the global conference was transitioned to a virtual event due to the COVID pandemic. Managing this transition took substantial staff and volunteer effort, but the Forum felt strongly that disseminating scientific knowledge, fostering dialogue, and giving the community the opportunity to connect were more important, even in the face of the pandemic.

Producing a digital event had the benefit of allowing additional delegates, many from low- and middle-income countries, to attend the proceedings. As a result, the CONNECTED Conference reached our broadest audience ever.

The delay and change in modality of the global conference impacted the 2020 financials with increased expenses and delayed revenue, but the conference as a whole (not segmented by calendar year), was sustainable.

The Micronutrient Forum 5th Global Conference covered the broad spectrum of micronutrients – research, efficacy and safety, implementation, and the policy and enabling environment. In addition, the conference took a deep dive into how micronutrients might be optimized and protected within food systems. The Micronutrient Forum strives to ensure greater participation from the agriculture, manufacturing, processing and distribution, retail, and culinary sectors, to widen the conversation and drive multi-sectoral innovation towards sustainable solutions. The Micronutrient Forum 5th Global Conference provided the opportunity for sharing new micronutrient research with a diverse audience across four focused tracks.

The Multiple Micronutrient Supplementation (MMS) for Pregnant Women Workstream

This workstream included the Forum’s leadership of the Healthy Mothers Healthy Babies Goalkeepers Accelerator project. The project leverages new investments from the private sector, philanthropies, NGOs and country leadership to save lives and improve the health of millions of women and newborns, correct inequity in access to MMS, and make progress toward the United Nation’s Sustainable Development Goals. From the outset, the Accelerator built on momentum for MMS already created among donors, implementing agencies, and governments ready to act.

Development of Standing Together for Nutrition

In 2020, the Standing Together for Nutrition Consortium was convened as a multidisciplinary consortium to project the impact of the COVID-19 crisis on nutritional outcomes. The Consortium brought together food security, nutrition, health, and economic experts from global as well as local and regional institutes in low- and middle-income countries.

As the pandemic advanced, the Consortium instituted a more formal governance infrastructure and continues to serve as a unique multi-disciplinary platform to ensure investment into health, nutrition, social-protection, and food systems actions that is data-driven, prioritized, and targeted, with a focus on gender equity.

The Consortium was co-led with the Global Alliance for Improved Nutrition and resulted in the most significant nutrition communications success of the year.

The Micronutrient Forum, under Dr. Osendarp's expert leadership, has developed product-market fit consultations and workstreams, and reinvented our global conference for greater impact. The Forum had tremendous success developing new consultations and workstreams and will continue to prudently grow that line of business while thoughtfully developing advocacy and technical backstop. The organization is at the point now where our success in developing new workstreams allows us to invest in an advocacy competency.

This approach has led to meaningful top-line growth while increasing the diversity of funders.

The work we initiated between 2018 and 2020 is important, but the world is a different place today. With a viral pandemic and global recession threatening the micronutrient status of populations across the globe, the Forum's unique collaborative and independent approach is more important now than ever. With our technical expertise, strong financial position, and broadening base of support, the Form looks forward to meeting the challenges ahead.

Howarth E. Bouis

Howarth E. Bouis (Jan 26, 2022 06:57 GMT+8)

Howarth Bouis, PhD
Chair, Board of Directors
January 2022



Management Statement of Responsibility for Financial Reporting and Internal Controls

The accompanying financial statements of the Micronutrient Forum (Forum), for the year ended December 31, 2020, 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 controls 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 and management reports to donors.

The Board of Directors exercises its responsibility for these financial statements through its Audit Committee. The Audit Committee meets regularly with management and representatives of the external 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 and the external audit for 2020 was performed by RSM US LLP.

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

Saskia Osendarp
President and Executive Director
January 2022



RSM US LLP

Independent Auditor's Report

Audit Committee of the Board of Directors
Micronutrient Forum

Report on the Financial Statements

We have audited the accompanying financial statements of Micronutrient Forum, which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities, functional expenses and cash flows for the year ended December 31, 2020, and the period from September 24, 2018 (inception) through December 31, 2019, and the related notes to 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 audits. We conducted our audits 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 positions of Micronutrient Forum as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the for the year ended December 31, 2020, and the period from 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.
January 28, 2022

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Micronutrient Forum

**Statements of Financial Position
December 31, 2020 and 2019**

	2020	2019
Assets		
Cash	\$ 832,628	\$ 662,089
Advances, prepaids and other assets	43,482	298,432
Receivables	253,102	7,521
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Total assets	\$ 1,129,212	\$ 968,042
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Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 419,030	\$ 155,423
Unexpended project funds	1,128,139	753,083
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Total liabilities	1,547,169	908,506
	<hr/> <hr/>	<hr/> <hr/>
Commitments and contingencies (Note 4)		
Net assets (deficit):		
Net assets deficit without donor restrictions (Note 7)	(417,957)	(40,464)
Net assets with donor restrictions	-	100,000
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Total net assets	(417,957)	59,536
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Total liabilities and net assets	\$ 1,129,212	\$ 968,042
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See notes to financial statements.

Micronutrient Forum

Statement of Activities Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Grant revenue	\$ 923,850	\$ -	\$ 923,850
Conference revenue	618,363	-	618,363
Other revenue	8,420	-	8,420
Net assets released from restrictions	100,000	(100,000)	-
Total revenue and other support	1,650,633	(100,000)	1,550,633
Expenses:			
Program services	1,927,840	-	1,927,840
Supporting services			
Management and general	75,873	-	75,873
Fundraising	24,413	-	24,413
Total support services	100,286	-	100,286
Total expenses	2,028,126	-	2,028,126
Change in net assets	(377,493)	(100,000)	(477,493)
Net assets (deficit):			
Beginning	(40,464)	100,000	59,536
Ending	\$ (417,957)	\$ -	\$ (417,957)

See notes to financial statements.

Micronutrient Forum

Statement of Activities

The Period From 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 (deficit):			
Beginning	-	-	-
Ending	\$ (40,464)	\$ 100,000	\$ 59,536

See notes to financial statements.

Micronutrient Forum

Statement of Functional Expenses Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Consultants and subcontractors	\$ 941,207	\$ 49,930	\$ 8,750	\$ 999,887
Professional services	609,451	10,923	-	620,374
Salaries and wages	283,190	14,384	13,059	310,633
Travel	60,961	-	1,485	62,446
Office expenses	1,023	334	-	1,357
Insurance	9,000	254	-	9,254
Other expenses	23,008	48	1,119	24,175
Total expenses	\$ 1,927,840	\$ 75,873	\$ 24,413	\$ 2,028,126

See notes to financial statements.

Micronutrient Forum

Statement of Functional Expenses

The Period From 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

Statements of Cash Flows

Year Ended December 31, 2020 and

The Period from September 24, 2018 (Inception) Through December 31, 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (477,493)	\$ 59,536
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in:		
Advances, prepaids and other assets	254,950	(298,432)
Receivables	(245,581)	(7,521)
Increase (decrease) in:		
Accounts payable and accrued expenses	263,607	155,423
Unexpended project funds	375,056	753,083
Net cash provided by operating activities	170,539	662,089
Cash:		
Beginning	662,089	-
Ending	\$ 832,628	\$ 662,089

See notes to financial statements.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: On September 24, 2018, Micronutrient Forum (the Forum) registered as a nonprofit 501(c)(3) organization in the United States. The Forum's current strategic plan, 2019–2021, has guided the organization through a growth stage during 2019 and 2020, with increased interest from funders and partners. The Forum continues to develop the following three products across a variety of topics in micronutrient nutrition:

- **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.

Of the many programmatic highlights since 2019, the three most notable workstreams were the Healthy Mother Healthy Babies (HMHB) Goalkeepers Accelerator, the Standing Together for Nutrition Consortium (ST4N), and the 2020 CONNECTED Conference (held virtually due to the COVID pandemic). These three workstreams reinforced the Forum's value as an independent expert convener able to bring partners together to drive collective action.

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

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 had \$0 and \$100,000 in net assets with donor restrictions at December 31, 2020 and 2019, respectively. Net assets released from restrictions during the year and period ended December 31, 2020 and 2019, were \$100,000 and \$0, respectively.

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.

Notes to Financial Statements

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

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 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 six months. No interest is charged on past due receivables. There was no allowance at December 31, 2020 and 2019.

Revenue recognition: The Forum's main revenue consists of conference revenue and cost-reimbursement-type grants.

Conference revenue consist of registration fees and sponsorships and are recognized as revenue when the conference takes place. Payments for these activities received in advance of the meeting are reported as deferred revenue. These revenues are considered to be recognized over time in the period the conference takes place.

Cost-reimbursement-type grants are accounted for as conditional contributions. Revenue is recognized when the conditions of the grants are met, generally over the grant period, and generally 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 restrictions net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same year the contribution is received or barriers are met 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 statements 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 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.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: The Forum evaluated subsequent events through January 28, 2022, which is the date the financial statements were available to be issued.

Notes to Financial Statements

Note 2. Advances, Prepaids and Other Current Assets

Advances, prepaids and other current assets consisted of the following as of December 31, 2020 and 2019:

	2020	2019
Conference advances	\$ 36,973	\$ 11,876
Venue deposits for 2020 conference	-	283,785
Other prepaid expenses	6,509	2,771
	<u>\$ 43,482</u>	<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:

	2020	2019
Cash	\$ 832,628	\$ 662,089
Receivables	253,102	7,521
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,085,730</u>	<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 that 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.

Management is continually monitoring the potential impact of the coronavirus (COVID-19) pandemic on the Forum. It is unknown how long the adverse conditions associated with COVID-19 will last and what the complete financial effect will be to the Forum. The extent of the impact of COVID-19 on the Forum's operations and financial performance are uncertain and cannot be predicted.

The Forum has a hosting and service agreement with the International Food Policy Research Institute (IFPRI) through April 30, 2021. 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. A new hosting and service agreement was made with IFPRI effective May 1, 2021, under which the Forum will use IFPRI's office address as its official organizational address at no charge and use the conference room and other facilities as needed on a cost reimbursement system.

Notes to Financial Statements

Note 5. Conditional Contributions

Conditional contributions are recognized as earned in the period in which the Forum incurs qualified expenses that 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, 2020 and 2019, the following are conditional contributions by funder:

Funder	2020		
	Total Conditional Contribution	Amount Earned Through 2020	Amount of Conditional Contribution Left to Earn
Grants from Donors	\$ 3,287,858	\$ 1,558,481	\$ 1,729,377

Funder	2019		
	Total Conditional Contribution	Amount Earned Through 2020	Amount of Conditional Contribution Left to Earn
Grants from Donors	\$ 2,922,858	\$ 534,831	\$ 2,388,027

Note 6. Related-Party Transactions

The Forum contracted with a member of the Board of Directors in the normal course of business during the year ended December 31, 2020, for an amount of approximately \$50,000.

Note 7. Subsequent Events

The Forum's 5th Global Conference, originally scheduled for March 2020, was postponed until November 2020 due to the COVID-19 pandemic, and was produced digitally, rather than held in-person as originally planned. As a result, the Forum received \$559,892 of insurance claim in 2021 due to the cancellation of the in-person conference. The insurance recovery received in 2021 will offset the net asset deficit at December 31, 2020.

Subsequent to December 31, 2020, the Forum adopted a 401(K) retirement plan.