

Micronutrient Forum

Financial Report
December 31, 2021

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**Statement of the Board Chair
For the Year Ended December 31, 2021**

The period covered by this audit – January 1 to December 31, 2021 - represents the Micronutrient Forum's (the Forum) third full year of operations as an independent legal entity.

Over the past three years, the Forum expanded its actions to bring together diverse actors on common agendas and collective actions.

The Forum's **Global Conferences** exemplifies our role as a backbone organization and our commitment to drive evidence, partnerships, and collective actions on micronutrient malnutrition. Connected 2020, a virtual conference, united over 3,600 delegates and over 450 speakers from 72 countries to foster understanding of micronutrient science, programs, and policies.

Under Dr. Osendarp's expert leadership, the Forum has had tremendous success developing new consultations and workstreams. Effectively addressing micronutrient malnutrition requires alignment and collective action across diverse stakeholders and sectors, and in 2021 the Forum sought to facilitate that action as demonstrated by the following:

The **Healthy Mothers Healthy Babies Consortium** (HMHB), launched in 2021, aims to improve maternal nutrition, specifically by accelerating the adoption of multiple micronutrient supplements (MMS) in support of better nutritional status of the mother and healthy pregnancy outcomes across low- and middle-income country (LMIC) contexts.

The **Standing Together for Nutrition Consortium** (ST4N), a collaboration with 35 leading nutrition experts, was established in response to the COVID-19 pandemic. ST4N works to address pressing concerns of the global nutrition community, alarmed by the crisis that continues to threaten millions of mothers and children facing disrupted health and food systems across LMIC contexts.

The **Mighty Nutrients Coalition** is a collective voice advocating to global leaders, policymakers, donors and national governments for increased investments and policy decisions for micronutrient-rich diets and interventions. The Coalition launched a Call to Action at the Nutrition for Growth Summit in 2021 and received over 160 signatures from 50 countries and 28 organizations.

Women's nutrition emerged as a central theme in 2021 because of the limited progress in reducing global levels of women's nutrition, notably anemia in women over the past 20 years. The Coalition pursued a new agenda for anemias.

Our strategic plan for 2022-2025 represents the programmatic and operational direction of the Forum, as well as a commitment to partners that the Forum will continue to be a collaborative, evidence-driven, action-oriented organization that strives to respond to national and global priorities to improve micronutrient nutrition.

With our technical expertise and broadening base of support, the Forum looks forward to meeting the challenges ahead.

Howarth E. Bouis
Howarth E. Bouis (Sep 24, 2022 01:40 GMT+8)

Howarth Bouis, PhD
Chair, Board of Directors
September 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, 2021, 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 donor reports.

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 2021 was performed by RSM US LLP.

Submitted by:

A handwritten signature in blue ink, appearing to read "Saskia Osendarp", is written over a light blue horizontal line.

Saskia Osendarp

Executive Director

September 2022

Independent Auditor's Report

Audit Committee of the Board of Directors
Micronutrient Forum

Opinion

We have audited the financial statements of Micronutrient Forum, which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Micronutrient Forum as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Micronutrient Forum and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 Micronutrient Forum's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Micronutrient Forum'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 Micronutrient Forum'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.

RSM US LLP

Washington, D.C.
September 26, 2022

Micronutrient Forum

Statements of Financial Position December 31, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 4,224,007	\$ 832,628
Advances, prepaids and other assets	19,642	43,482
Receivables	-	253,102
	<hr/>	<hr/>
Total assets	\$ 4,243,649	\$ 1,129,212
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Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 140,255	\$ 419,030
Unexpended project funds	3,955,729	1,128,139
Total liabilities	4,095,984	1,547,169
	<hr/>	<hr/>
Commitments and contingencies (Note 4)		
Net assets (deficit):		
Net assets (deficit) without donor restrictions	37,581	(417,957)
Net assets with donor restrictions	110,084	-
Total net assets	147,665	(417,957)
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Total liabilities and net assets	\$ 4,243,649	\$ 1,129,212
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See notes to financial statements.

Micronutrient Forum

**Statement of Activities
Year Ended December 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Grant revenue	\$ 1,725,130	\$ 160,000	\$ 1,885,130
Conference revenue—insurance recovery	559,892	-	559,892
Other revenue	105,714	-	105,714
Net assets released from restrictions	49,916	(49,916)	-
Total revenue and support	2,440,652	110,084	2,550,736
Expenses:			
Program services	1,741,094	-	1,741,094
Supporting services			
Management and general	141,382	-	141,382
Fundraising	102,638	-	102,638
Total supporting services	244,020	-	244,020
Total expenses	1,985,114	-	1,985,114
Change in net assets	455,538	110,084	565,622
Net assets (deficit):			
Beginning	(417,957)	-	(417,957)
Ending	\$ 37,581	\$ 110,084	\$ 147,665

See notes to financial statements.

Micronutrient Forum

Statement of Activities Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and 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 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 supporting 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 Functional Expenses Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Consultants and subcontractors	\$ 851,861	\$ 23,753	\$ 52,088	\$ 927,702
Salaries and wages	652,664	74,188	50,004	776,856
Professional services	158,139	29,305	-	187,444
Operations	29,788	2,786	-	32,574
Legal Fees	14,947	4,619	-	19,566
Webinars	14,864	-	-	14,864
Travel	12,037	2,027	546	14,610
Insurance	6,794	4,704	-	11,498
Total expenses	\$ 1,741,094	\$ 141,382	\$ 102,638	\$ 1,985,114

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

Statements of Cash Flows Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 565,622	\$ (477,493)
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	23,840	254,950
Receivables	253,102	(245,581)
Increase (decrease) in:		
Accounts payable and accrued expenses	(278,775)	263,607
Unexpended project funds	2,827,590	375,056
Net cash provided by operating activities	3,391,379	170,539
Net increase in cash	3,391,379	170,539
Cash:		
Beginning	832,628	662,089
Ending	<u>\$ 4,224,007</u>	<u>\$ 832,628</u>

See notes to financial statements.

Micronutrient Forum

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 serves as a backbone organization in the nutrition sector by supporting partners and fostering alignment and collective action on micronutrient-relevant issues for all aspects of health, development and disease prevention. 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.

In 2021 the most notable programmatic highlights were:

- New data and evidenced-based policy recommendations on the potential impacts of the COVID-19 pandemic on global malnutrition, produced by the Standing Together for Nutrition (ST4N) consortium.
- World Health Organization's inclusion of Multiple Micronutrient Supplements (MMS) on the Essential Medicine's List, resulting from collective action of the Forum, the New York Academy of Sciences (NYAS), and other key stakeholders.
- Initiating and building broad stakeholder support for an alliance for anemia actions through the UN Food Systems Summit and supporting its inclusion in a N4G commitment by WHO and UNICEF.
- Launching a Mighty Nutrients advocacy agenda with partners which inspired people from over 50 countries to come together and sign a Call to Action that urges leaders and policymakers to increase investments in proven and cost-effective micronutrient interventions.
- Continuing global activities of the Healthy Mothers Healthy Babies Consortium (HMHB). Launched in 2021, HMHB works to improve maternal nutrition by accelerating adoption of multiple micronutrient supplementation (MMS) among pregnant women to support better nutrition and improved pregnancy outcomes in low- and middle-income countries.
- Successful establishment of the Micronutrient Data Innovation Alliance (DInA) to align organizations involved in collecting and using micronutrient data.

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.

Micronutrient Forum

Notes to Financial Statements

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

Net assets with donor restrictions: Net assets with donor restrictions are subject to donor-imposed restrictions that may, or will, be met by actions of the Forum. 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. At December 31, 2021, the Forum had \$110,084 in net assets with donor restrictions related to the *Healthy Mothers Healthy Babies Consortium Project*. At December 31, 2020, the Forum had no net assets with donor restrictions. Net assets released from restrictions during the years ended December 31, 2021 and 2020, were \$49,916 and \$100,000, 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.

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, 2021 and 2020.

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 to revenue over the time the conference takes place. Payments for these activities received in advance of the meeting are reported as deferred revenue. 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.

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.

Micronutrient Forum

Notes to Financial Statements

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

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. Accordingly, certain management and general costs have been allocated among the programs and supporting services benefited. Allocable costs such as salaries and benefits have been allocated among the program and supporting services benefited based on estimated level of effort.

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 September 26, 2022, which is the date the financial statements were available to be issued.

Note 2. Advances, Prepaids and Other Current Assets

Advances, prepaids and other current assets consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Conference advances	\$ -	\$ 36,973
Vendor deposits	17,455	-
Other prepaid expenses	2,187	6,509
	<u>\$ 19,642</u>	<u>\$ 43,482</u>

Micronutrient Forum

Notes to Financial Statements

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:

	2021	2020
Cash	\$ 4,224,007	\$ 832,628
Receivables	-	253,102
Total financial assets	4,224,007	1,085,730
Less financial assets held to meet donor-imposed restrictions:		
Unexpended project funds	(3,955,729)	-
Purpose restricted net assets	(110,084)	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 158,194</u>	<u>\$ 1,085,730</u>

Note 4. Commitments and Contingencies

Grant revenue: 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.

COVID-19: 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.

Service agreement: The Forum has a new hosting and service agreement that was made with The International Food Policy Research Institute (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.

Hotel commitment: The Forum has entered into an agreement with a hotel for room accommodations at a future event. This agreement contains a clause whereby the Forum may be liable for liquidated damages in the event of cancellation.

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 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, 2021 and 2020, the following are conditional contributions by funder:

Funder	2021		
	Total Conditional Contribution	Amount Earned Through 2021	Amount of Conditional Contribution Left to Earn
Grants from Donors	\$ 9,355,841	\$ 2,840,319	\$ 6,515,522

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

At December 31, 2021, the total conditional contribution amount of \$9,355,841 includes a grant from the Bill & Melinda Gates Foundation of \$4,998,923 for the period November 1, 2021 to October 31, 2025, of which \$166,521 was earned during the year ending December 31, 2021. The remainder will be earned over the life of the project.

Note 6. Related-Party Transactions

The Forum contracted with a member of the Board of Directors in the normal course of business during the years ended December 31, 2021 and 2020, for an amount of approximately \$16,200 and \$53,400, respectively.

Note 7. Retirement Plan

401(k) plan: During the year ended December 31, 2021, the Forum established a defined contribution 401(k) retirement plan covering all employees on the date of hire who are at least 21 years of age. The Forum matches any employee's contribution to a maximum of \$6,000 per year. Employees are immediately 100% vested in all contributions to the plan. Retirement plan expense for the year ended December 31, 2021, was \$13,142.