

# **Micronutrient Forum**

Financial Report  
December 31, 2022

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RSM US LLP

## 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, 2022 and 2021, 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, 2022 and 2021, 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 27, 2023

## Micronutrient Forum

### Statements of Financial Position December 31, 2022 and 2021

	2022	2021
<b>Assets</b>		
Cash	\$ 2,294,541	\$ 4,224,007
Advances, prepaids and other assets	256,784	19,642
Receivables	12,063	-
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 2,563,388</b>	<b>\$ 4,243,649</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 200,095	\$ 140,255
Unexpended project funds	2,372,636	3,955,729
<b>Total liabilities</b>	<hr/> <b>2,572,731</b>	<hr/> <b>4,095,984</b>
Commitments and contingencies (Note 4)		
Net assets (deficit):		
Net assets (deficit) without donor restrictions	(93,380)	37,581
Net assets with donor restrictions	84,037	110,084
<b>Total net assets (deficit)</b>	<hr/> <b>(9,343)</b>	<hr/> <b>147,665</b>
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<b>Total liabilities and net assets</b>	<b>\$ 2,563,388</b>	<b>\$ 4,243,649</b>

See notes to financial statements.

**Micronutrient Forum**

**Statement of Activities  
Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Grant revenue	\$ 2,685,655	\$ 160,000	\$ 2,845,655
Other revenue	2,674	-	2,674
Net assets released from restrictions	186,047	(186,047)	-
<b>Total revenue and support</b>	<b>2,874,376</b>	<b>(26,047)</b>	<b>2,848,329</b>
Expenses:			
Program services	2,564,994	-	2,564,994
Supporting services			
Management and general	379,481	-	379,481
Fundraising	60,862	-	60,862
<b>Total supporting services</b>	<b>440,343</b>	<b>-</b>	<b>440,343</b>
<b>Total expenses</b>	<b>3,005,337</b>	<b>-</b>	<b>3,005,337</b>
<b>Change in net assets</b>	<b>(130,961)</b>	<b>(26,047)</b>	<b>(157,008)</b>
Net assets (deficit):			
Beginning	37,581	110,084	147,665
Ending	\$ (93,380)	\$ 84,037	\$ (9,343)

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	104,470	-	104,470
Net assets released from restrictions	49,916	(49,916)	-
<b>Total revenue and support</b>	<b>2,439,408</b>	<b>110,084</b>	<b>2,549,492</b>
Expenses:			
Program services	1,513,394	-	1,513,394
Supporting services			
Management and general	367,838	-	367,838
Fundraising	102,638	-	102,638
<b>Total supporting services</b>	<b>470,476</b>	<b>-</b>	<b>470,476</b>
<b>Total expenses</b>	<b>1,983,870</b>	<b>-</b>	<b>1,983,870</b>
<b>Change in net assets</b>	<b>455,538</b>	<b>110,084</b>	<b>565,622</b>
Net assets (deficit):			
Beginning	(417,957)	-	(417,957)
Ending	\$ 37,581	\$ 110,084	\$ 147,665

See notes to financial statements.

## Micronutrient Forum

### Statement of Functional Expenses Year Ended December 31, 2022

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 1,336,261	\$ 208,242	\$ 41,224	\$ 1,585,727
Consultants and subcontractors	983,676	45,437	16,226	1,045,339
Travel and meetings	139,548	5,798	595	145,941
Operations	97,804	30,240	2,701	130,745
Professional services	-	73,943	-	73,943
Insurance	80	14,839	-	14,919
Event management	4,118	398	116	4,632
Other expenses	3,323	42	-	3,365
Office expenses	20	490	-	510
Legal, registration and license fees	164	52	-	216
<b>Total expenses</b>	<b>\$ 2,564,994</b>	<b>\$ 379,481</b>	<b>\$ 60,862</b>	<b>\$ 3,005,337</b>

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	\$ 861,029	\$ 97,131	\$ 52,088	\$ 1,010,248
Salaries and wages	566,611	161,067	50,004	777,682
Professional services	-	69,155	-	69,155
Event management	40,511	1,516	-	42,027
Operations	23,585	8,616	-	32,201
Legal, registration and license fees	5,889	13,757	-	19,646
Other expenses	8,500	4,450	-	12,950
Insurance	-	11,498	-	11,498
Travel and meetings	7,269	511	546	8,326
Office expenses	-	137	-	137
<b>Total expenses</b>	<b>\$ 1,513,394</b>	<b>\$ 367,838</b>	<b>\$ 102,638</b>	<b>\$ 1,983,870</b>

See notes to financial statements.

## Micronutrient Forum

### Statements of Cash Flows Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (157,008)	\$ 565,622
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in:		
Advances, prepaids and other assets	(237,142)	23,840
Receivables	(12,063)	253,102
Increase (decrease) in:		
Accounts payable and accrued expenses	59,840	(278,775)
Unexpended project funds	(1,583,093)	2,827,590
<b>Net cash (used in) provided by operating activities</b>	<b>(1,929,466)</b>	<b>3,391,379</b>
<b>Net (decrease) increase in cash</b>	<b>(1,929,466)</b>	<b>3,391,379</b>
Cash:		
Beginning	4,224,007	832,628
Ending	<b>\$ 2,294,541</b>	<b>\$ 4,224,007</b>

See notes to financial statements.

## Micronutrient Forum

### Notes to Financial Statements

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#### 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 2022 the most notable programmatic highlights were:

- Joint release of new global and regional estimates of micronutrient deficiencies in Lancet Global Health together with Global Alliance for Improved Nutrition (GAIN) and USAID-Advancing Nutrition, which brought renewed and much needed attention to the devastating effects of hidden hunger among the most vulnerable populations.
- The Standing Together for Nutrition (ST4N) Consortium generated policy-relevant evidence on the impact of the Ukraine war and the food crisis on wasting and stunting and the disproportionate impact of these cascading crises on women and girls.
- The Healthy Mothers Healthy Babies (HMHB) Consortium accelerated national actions on the adoption of multiple micronutrient supplementation (MMS) for vulnerable mothers in low- and middle-income countries in Asia through its first-ever in person regional meeting in Jakarta, Indonesia.
- The Micronutrient Data Innovation Alliance (DInA) brought stakeholders together in an inception meeting in Rome to improve the availability, accessibility, and use of micronutrient data for more effective and impactful policies and programs.
- The Forum announced its 6th Global Conference on Nutrition for Resilience (N4R) from 16-20 October 2023 to be held virtually and in-person in The Hague, the Netherlands.
- The first of a series of Nutrition for Resilience white papers was published on “Nutrition for Resilience and Climate Change” and presented at the COP27 held in Sharm-el-Sheik.
- The Mighty Nutrients Coalition grew as an evidence-based voice to drive collective advocacy for the power of vitamins and minerals — mighty nutrients — with over 60 organizations, 200 individuals spanning over 50 countries signing on to its Call to Action to improve health and unlock human potential.

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

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#### 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, 2022, the Forum had \$84,037 in net assets with donor restrictions related to the *Healthy Mothers Healthy Babies Consortium Project*. At December 31, 2021, the Forum had \$110,084 in net assets with donor restrictions. Net assets released from restrictions during the years ended December 31, 2022 and 2021, were \$186,047 and \$49,916, 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, 2022 and 2021.

**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 when they contain both a barrier and a right of return. Revenue is recognized when the conditions of the grants are met, generally over the grant period, and generally as related allowable expenses are incurred. Conditional grant revenue is recognized to net assets without donor restrictions if no restrictions remain at the time conditions have been satisfied.

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

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#### 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.

**Reclassification:** Certain amounts in the December 31, 2021 financial statements have been reclassified to conform to the current year presentation. These reclassifications had no impact on the net assets or changes in net assets as of and for the year ended December 31, 2021.

**Subsequent events:** The Forum has evaluated subsequent events through September 27, 2023, the date on which 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, 2022 and 2021:

	2022	2021
Vendor deposits	\$ 98,018	\$ 17,455
Other prepaid expenses	158,766	2,187
	<u>\$ 256,784</u>	<u>\$ 19,642</u>

## Micronutrient Forum

### Notes to Financial Statements

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#### 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:

	2022	2021
Cash	\$ 2,294,541	\$ 4,224,007
Receivables	12,063	-
Total financial assets	2,306,604	4,224,007
Less financial assets held to meet donor-imposed restrictions:		
Unexpended project funds	(2,372,636)	(3,955,729)
Purpose restricted net assets (deficit)	(84,037)	(110,084)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ (150,069)</u>	<u>\$ 158,194</u>

The Forum's cash flow and liquidity is cyclical as it fluctuates throughout the years and is dependent on when the Global Conference is held.

#### 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.

**Service agreement:** The Forum has a 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.

**Professional Congress Management Service Agreement:** The Forum has entered into an agreement with a global professional congress management services provider to plan and execute the Forum's 6th global conference to be held virtually and in person at the World Forum in The Hague, Netherlands in October 2023 with a thematic focus on Nutrition for Resilience (N4R).

## Micronutrient Forum

### Notes to Financial Statements

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#### 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, 2022 and 2021, the following are conditional contributions by funder:

Funder	2022		
	Total Conditional Contribution	Amount Earned Through 2022	Amount of Conditional Contribution Left to Earn
Grants from Donors	\$ 10,159,174	\$ 5,086,541	\$ 5,072,633

  

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

At December 31, 2022, the conditional contribution amount of \$10,159,174 includes grants from three donors amounting to \$9,473,479, which comprises 93% of the total. Total revenue of \$2,428,769 and \$1,467,753 was earned on these donor agreements during the years ended December 31, 2022 and 2021, respectively.

#### 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, 2022 and 2021, for an amount of approximately \$11,400 and \$16,200, 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 years ended December 31, 2022 and 2021, was \$31,431 and \$13,142, respectively.