

IODINE GLOBAL NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2021

IODINE GLOBAL NETWORK

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Iodine Global Network

Opinion

We have audited the financial statements of the Iodine Global Network (the Organization), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent firm affiliated to



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 27, 2022

IODINE GLOBAL NETWORK

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

(in U.S. dollars)

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	2021	2020
REVENUES		
UNICEF	\$ 831,119	\$ 871,841
GiveWell	434,096	356,442
Bill & Melinda Gates Foundation	395,683	213,351
Donations	263,012	88,217
Kiwanis International	34,988	67,232
Founders Pledge	34,530	-
Helen Keller International	7,439	45,467
Interest and other	432	667
	2,001,299	1,643,217
OPERATING EXPENSES		
Project activity costs (Schedule A)	1,081,153	849,852
Secretariats (Schedule B)	424,475	279,755
Regional support (Schedule C)	209,355	301,168
Newsletter and website	53,975	67,232
Professional fees	27,235	-
Board insurance	2,440	2,115
Annual conference	-	37,515
Board meeting	-	1,202
Foreign currency translation	(3,116)	(945)
Audit and legal	13,435	9,850
Bank charges	8,627	6,588
	1,817,579	1,554,332
EXCESS OF REVENUES OVER EXPENSES	\$ 183,720	\$ 88,885

IODINE GLOBAL NETWORK

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2021 (in U.S. dollars)

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		Hetzel Award	Unrestricted	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$	10,000	\$ 569,543	\$ 579,543	\$ 490,658
Excess of revenues over expenses		-	183,720	183,720	88,885
BALANCE, END OF YEAR	\$	10,000	\$ 753,263	\$ 763,263	\$ 579,543

IODINE GLOBAL NETWORK

STATEMENT OF FINANCIAL POSITION

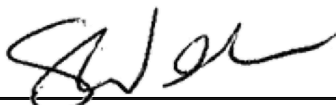
DECEMBER 31, 2021

(in U.S. dollars)

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	2021	2020
ASSETS		
Cash	\$ 1,000,241	\$ 1,285,100
Term deposits - 0.07% - 0.11%, maturing February 7, 2022 and March 15, 2022	950,432	-
Accounts receivable (Note 3)	17,019	59,070
Prepaid expenses	234,064	1,567
	\$ 2,201,756	\$ 1,345,737
LIABILITIES		
Accounts payable and accrued liabilities	\$ 563,068	\$ 186,001
Deferred contributions (Note 4)	875,425	580,193
	1,438,493	766,194
NET ASSETS		
Internal restrictions - Hetzel Award	10,000	10,000
Unrestricted	753,263	569,543
	763,263	579,543
	\$ 2,201,756	\$ 1,345,737

ON BEHALF OF THE BOARD


_____, Director

Michael Zimmermann
_____, Director

IODINE GLOBAL NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

(in U.S. dollars)

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	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 183,720	\$ 88,885
Net change in non-cash items related to operating activities (Note 6)	481,853	(249,346)
	665,573	(160,461)
INVESTING ACTIVITY		
Net change in investments	(950,432)	1,200,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(284,859)	1,039,539
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,285,100	245,561
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,000,241	\$ 1,285,100

Cash and cash equivalents consist of cash.

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

(in U.S. dollars)

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1. STATUTE AND NATURE OF OPERATIONS

The Iodine Global Network, incorporated under the Canada Not-for-profit Corporations Act, is a not-for-profit organization that promotes and supports the elimination of iodine deficiency disorders. Partners in various countries help the Organization fulfill its mission. The Organization is a registered public foundation and is therefore exempt from income tax under Section 149 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The main estimates relate to the recognition as revenue of funding received for specific projects given that a portion is based on the amount of expenses deemed eligible for the project.

Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Accounts receivable

The Organization advances money to Regional Coordinators on a regular basis. If the advance exceeds the amount of expenditure incurred, the difference is recorded as an accounts receivable from the Regional Coordinator.

Revenue recognition

The Organization follows the deferral method for recognizing revenue from contributions, restricted donations and grants. Restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same periods as the related expenses are recognized.

Other revenues, such as donations and interest, are recognized when received or receivable.

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

(in U.S. dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency

The financial statements are prepared using the US dollar as the functional and the reporting currency. The Organization uses the temporal method to translate its foreign currency transactions. All transactions in other currencies during the year have been converted using the exchange rate in effect at the date of the transaction. At year end, monetary items not denominated in US dollars are translated at the year end exchange rate.

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in operations in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the straight-line method.

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

(in U.S. dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Organization's policy is to present bank balances under cash and cash equivalents, including bank indebtedness when bank balances that fluctuate frequently from being positive to overdrawn.

3. ACCOUNTS RECEIVABLE

		2021		2020
Accounts receivable from partners	\$	7,087	\$	52,952
Sales taxes receivable		9,932		6,118
	\$	17,019	\$	59,070

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources restricted for specific projects and regional support. Changes in the deferred contributions balance are as follows:

	Balance December 31, 2020	Received	Recognized	Balance December 31, 2021
Bill & Melinda Gates Foundation	\$ 87,757	\$ 763,374	\$ 395,683	\$ 455,448
GiveWell	260,168	376,665	434,096	202,737
Kiwanis International	33,688	117,000	34,988	115,700
Founders Pledge	29,530	102,476	34,530	97,476
UNICEF	169,050	666,133	831,119	4,064
	\$ 580,193	\$ 2,025,648	\$ 1,730,416	\$ 875,425

5. INTERNAL RESTRICTIONS

The Board of Directors of the Organization created the Basil Hetzel Award Fund to honor the achievement of Dr. Basil Hetzel. The Award was created following a special contribution made by Dr. Hetzel. A cash grant of \$2,000 can be awarded to a person or persons who made the most significant public advocacy for the elimination of iodine deficiency disorders.

IODINE GLOBAL NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

(in U.S. dollars)

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6. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

	2021	2020
Accounts receivable	\$ 42,051	\$ 76,824
Prepaid expenses	(232,497)	8,277
Accounts payable and accrued liabilities	377,067	(62,670)
Deferred contributions	295,232	(271,777)
	\$ 481,853	\$ (249,346)

7. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable.

The Organization provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. There is no existing account receivable that represents a substantial risk for the Organization.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2021, assets include cash of \$65,487 in Canadian dollars which has been converted into US dollars.

8. CONTINGENCIES

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

IODINE GLOBAL NETWORK

ADDITIONAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2021

(in U.S. dollars)

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	2021	2020
SCHEDULE A - PROJECT ACTIVITY COSTS		
UNICEF - 2018-2021	\$ 607,485	\$ 542,680
Bill & Melinda Gates Foundation	373,205	205,998
UNICEF - Multiple Regions	80,675	22,873
GiveWell	15,238	32,222
Helen Keller International	3,250	41,567
Kiwanis International	1,300	-
UNICEF - ETH	-	4,512
	\$ 1,081,153	\$ 849,852

SCHEDULE B - SECRETARIATS

Senior advisory services	\$ 159,169	\$ 15,275
Executive Director office	110,165	130,731
Chair office	81,058	60,043
Ottawa office	74,083	73,706
	\$ 424,475	\$ 279,755

SCHEDULE C - REGIONAL SUPPORT

America	\$ 50,583	\$ 82,019
Gulf	27,919	34,831
Africa	27,750	20,982
Eastern Europe	26,650	47,898
China and Eastern Asia	25,993	22,238
Europe	22,213	52,746
South East Asia	20,247	40,454
Asia and Pacific	8,000	-
	\$ 209,355	\$ 301,168
