



GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

Executive Committee Meeting

April 8, 2019 (9:00 a.m. Central U.S. Time)
Conference Call: +1-800-309-2350, Pin: 908-3334

AGENDA

Chairman: Nicole Johnson-Hoffman, President

1. Call to Order / Opening Remarks (9:00 – 9:03) *Johnson-Hoffman*
2. Roll Call *Clark*
 - ____ Nicole Johnson-Hoffman, President
 - ____ Leon Mol, Vice President
 - ____ Ian McConnel, Secretary-Treasurer
 - ____ Bob McCan, Member-at-Large
 - ____ Nicola Robinson, Member-at-Large
 - ____ Dennis Laycraft, Immediate Past President
 - ____ Ruairaidh Petre, GRSB
 - ____ Josefina Eisele, GRSB
 - ____ Katie Ambrose, GRSB
 - ____ Cheryl Clark, GRSB
3. Consideration of Minutes from March 11th, 2019 (9:03 – 9:05) **APPROVAL** *Committee*
4. Financial Report (9:05 – 9:25)
 - 4.1. 2018 GRSB Financial Audit **APPROVAL** *Guy Scofield*
 - 4.2. March 31, 2019 Income Statement and Balance Sheet **APPROVAL** *McConnel*
5. Executive Director Report (9:25 – 9:45) **INFORM** *Petre*
 - 5.1 Strategic Planning – Proposed Agenda
 - 5.1.1 Membership Models *Mol*
6. Council Reports **INFORM** *Petre*
 - 6.1. GHG Working Group – Side Meeting in Chicago (9:45 – 9:55)
 - 6.2. Sustainability Communications (9:55 – 10:05) **INFORM** *Ambrose*
7. Administrative Report (10:05-10:15) **INFORM**
 - 7.1. Membership *Petre*
 - 7.1.1. Outstanding Receivables
 - 7.2. New Zealand BOD Meeting
8. Other Business (10:15)

9. Future Meetings

- 9.1. Board of Directors, Wednesday, April 24, 2019, 9:00am – 10:30 am Central U.S. Daylight Time
- 9.2. Strategy Session, Tuesday, May 21, 2019, Chicago, IL, 8am – 5:30pm Central U.S. Daylight Time
- 9.3. Communicators Summit, Wednesday, May 22nd, 2019, 8am – 5pm CDT and Thursday, May 23, 2019, 8am-12:15pm CDT, Chicago, IL
- 9.4. In-person Executive Committee Meeting – Thursday, May 23, 2019 1pm-3pm CDT, Chicago, IL
- 9.5. In-person Board of Directors Meeting – May 23rd, 2019 3:30pm-5:30pm CDT and Friday, May 24, 2019, 8am-12pm CDT, Chicago, IL

10. Adjourn

Attachments:

1. 3-11-16-2019 Executive Committee Minutes (pp 3-5)
2. 2018 GRSB Financial Audit (pp 6-14)
3. 3-31-2019 Financial Report (pp 15-18)

**MINUTES
GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF
EXECUTIVE COMMITTEE
MARCH 11, 2019
CONFERENCE CALL**

The Global Roundtable for Sustainable Beef Executive Committee meeting was called to order at 8:00 a.m. U.S. Mountain Time, Monday, February 11, 2019 by President Nicole Johnson-Hoffman.

Members Present: Nicole Johnson-Hoffman, Ian McConnel, Dennis Laycraft, Leon Mol

Staff Present: Ruaraidh Petre, Katie Ambrose, Cheryl Clark, Josefina Eisele

Approval of Minutes

It was moved by Mol and supported by McConnel that the February 11, 2019 meeting minutes be approved. Motion carried.

Financial Report

The financial report showed a year-to-date (YTD) revenue as of February 28, 2019 of \$229,720 and YTD expenses of \$71,384 resulting in YTD Net Income of \$158,336.

It was moved by McConnel and supported by Laycraft that the February financial reports be approved. Motion carried.

Audit expense is recorded in the Income Statement in February instead of March. Audit budget was \$6000 and expense to date and final expense is \$4,960.

Johnson-Hoffman stated that the survey results will help with the approach of our future funding activities. EC must provide an aligned proposal for future funding. If there is a new funding proposal, we need to be in alignment of that request and justify but with flexibility for other views. We need to come out of the Strategy Session with an agreement of how we are moving forward. What we will continue to do and what we will stop doing if we can't afford it and what the requirement will be from members if a new stream of funding is agreed upon.

If we don't come up with a new stream of funding, by default we will need to reduce the GRSB activities. Those activities will likely be the stop in formation of new roundtables in Latin America and we would move into a more advisory role for current roundtables.

We will start having this conversation through email and at our next EC meeting. Johnson-Hoffman requested that Mol lead this discussion and provide a summary of the current attempt and where it has come out.

1. What do we need to do more of?
2. What do we need to do less of?
3. What financial streams will be needed?

Petre will provide specific survey detail to this topic via email. Petre has calls this week with various roundtables to discuss strategies.

Executive Director Report

Petre attended GASL planning meeting in Kansas City with attendees from Kansas State University.

He is having membership discussions with Tyson.

Strategic Plan Activities

Petre also stated that the calls with the Roundtables are taking place to discuss alignment in reporting and to show consistency in reporting and global metrics.

Petre will provide summary of the survey and the discussions that have taken place.

Mark McCully is confirmed to provide facilitation for the Strategy Session.

Council Reports

Global Reach / Issues

Petre stated that no additional information is available at this time.

GHG Working Group

Petre reported that this work is moving forward, and requests have been sent to various consulting groups. Three have responded. McConnel stated there are several groups doing this work and we need to align with them.

Demonstrating Impact

Sustainability Communications

Ambrose reports that registrations are at twelve with a need to reach close to 100. Who needs to be present in the room for the Communicators Summit? Discussions have taken place and suggestions for attendance during the communication planning meetings. Petre stated there are enough people in our memberships and roundtables to fill the room. All the registrants will be vetted. Petre spoke to McKelvie and Bohnenkamp and clarified the attendee goals.

Ambrose reports that the underwriting is at \$35,000 with others to contact for participation.

Administrative Report

Membership

Clark reported that the outstanding accounts receivable is at \$119,000. Several members have been in contact and she is working to get them paid by the end of March.

Swiss Entity

Petre reported that the representative office in Switzerland sent a bill for emails and communications with Kraig last year. Since we are a non-profit association, we don't need to use them as our agent. Petre will inform the Swiss authorities that we don't have a representative office and consequently they will shut it down.

Other Business

1. Per Johnson-Hoffman, be prepared to discuss necessary funding structure and strategic choices at the next EC call. Please be in a location where you can hear and communicate clearly.
2. Please let Johnson-Hoffman, Petre and Ambrose know if you cannot attend the Strategy Session.
3. New Zealand will be the location of our next face to face meeting. Petre will have additional information at the next Board of Director's meeting on March 20th.

Future Meetings

- Board of Directors, Wednesday, March 20, 2019, 3:00 – 4:30 p.m. Central U.S. Time
- Executive Committee, Monday, April 8, 2019 – 9:00 a.m. Central U.S. Time

May GRSB Meeting Schedule, Chicago, IL

- Strategy Session, Tuesday, May 21, 2019, Chicago, IL, 8am – 5:30pm Central U.S. Daylight Time
- Communicators Summit, Wednesday, May 22nd, 2019, 8am – 5pm CDT and Thursday, May 23, 2019, 8am-12:15pm CDT, Chicago, IL
- In-person Executive Committee Meeting – Thursday, May 23, 2019 1pm-3pm CDT, Chicago, IL
- In-person Board of Directors Meeting – May 23rd, 2019 3:30pm-5:30pm CDT and Friday, May 24, 2019, 8am-12pm CDT, Chicago, IL

The meeting adjourned at 8:44 a.m. U.S. Mountain Time.

Respectfully submitted,

Cheryl Clark

Director of Operations

GLOBAL ROUNDTABLE FOR
SUSTAINABLE BEEF

Financial Statements and
Independent Auditor's Report
Years ended December 31, 2018 and 2017

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

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INDEPENDENT AUDITOR'S REPORT

To the Executive Board
Global Roundtable for Sustainable Beef
Colorado Springs, Colorado

We have audited the accompanying financial statements of Global Roundtable for Sustainable Beef (a Colorado not-for-profit corporation) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended 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 the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

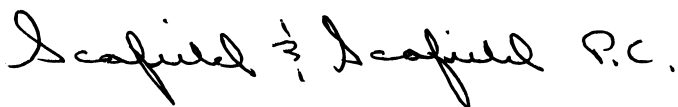
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with accounting standards generally accepted in the United States of America. Those standards required that we plan and perform our audits to obtain reasonable assurance 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 misstatements 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 the bases for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Roundtable for Sustainable Beef as of December 31, 2018 and 2017, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Centennial, Colorado
April 2, 2019

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

ASSETS	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 232,473	177,411
Certificate of deposit	247,000	225,000
Receivables	26,332	32,500
Prepaid expenses	274	3,211
	<hr/>	<hr/>
Total Assets	<u>\$ 506,079</u>	<u>438,122</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 71,637	79,194
Prepaid memberships	106,750	35,500
Total Liabilities	<hr/>	<hr/>
	178,387	114,694
Commitments		
Net assets		
Unrestricted		
Undesignated	102,692	98,428
Board designated reserve	225,000	225,000
Net Assets	<hr/>	<hr/>
	327,692	323,428
Total Liabilities and Net Assets	<u>\$ 506,079</u>	<u>438,122</u>

See accompanying notes to financial statements.

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2018 and 2017

CHANGES IN UNRESTRICTED NET ASSETS	<u>2018</u>	<u>2017</u>
Revenues		
Membership dues	\$ 351,375	394,376
Conferences	288,755	6,000
Meetings	3,405	6,124
Grants	7,228	146,819
Investment income	5,865	1,132
Total revenue	<u>656,628</u>	<u>554,451</u>
Expenses		
Program services		
Conferences	134,826	37,608
Meetings	16,971	32,029
Grant expenses	-	93,882
Communications	51,626	33,057
Supporting services		
Administration	405,167	303,581
Operating expenses	43,774	48,326
Total expenses	<u>652,364</u>	<u>548,483</u>
Increase in net assets	4,264	5,968
Net Assets, Beginning of period	323,428	317,460
Net Assets, end of period	<u>\$ 327,692</u>	<u>323,428</u>

See accompanying notes to financial statements.

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Increase in net assets	\$ 4,264	5,968
Adjustments to reconcile increase in net assets to cash provided (used) by operating activities:		
Receivables	6,168	(17,500)
Prepaid expenses	2,937	(3,211)
Accounts payable	(7,557)	22,692
Prepaid memberships	71,250	(43,503)
Total adjustments	<u>72,798</u>	<u>(41,522)</u>
Net change in cash from operating activities	77,062	(35,554)
Cash flows from investing activities:		
Increase in certificate of deposit	<u>(22,000)</u>	-
Net change in cash from investing activities	<u>(22,000)</u>	-
Net change in cash and cash equivalents	55,062	(35,554)
Cash and cash equivalents at beginning of year	177,411	212,965
Cash and cash equivalents at end of year	<u>\$ 232,473</u>	<u>177,411</u>

See accompanying notes to financial statements.

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

General

The Global Roundtable for Sustainable Beef (“GRSB”, “Organization”) is a non-profit corporation incorporated under Colorado laws, effective January 9, 2013. GSRB was organized as a multi-stakeholder initiative to advance continuous improvement in sustainability of the global beef value chain through leadership, science and multi-stakeholder engagement and collaboration. The GRSB envisions a world in which all aspects of the beef value chain are environmentally sound, and socially responsible and economically viable.

Revenues are primarily derived from membership dues and conferences.

GRSB has no employees and contracts for all of its secretariat services.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standard’s Codification (ASC 958), Financial Statements of Not-for-Profit Organizations. Under ASC 958 the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted amounts are those net assets including both board designated and other unrestricted funds. They include revenue and expenses used currently for the general operations of the Organization. General contributions that are restricted by the donor are reported as increases in unrestricted net assets if the donor restrictions expire in the fiscal year in which the contributions are recognized.

Temporarily restricted amounts are those which include contributions restricted by donor designation and are reported as increases in temporarily restricted net assets. When a donor restriction expires either with the passage of time or by actions of the Organization, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

Concentrations of Credit Risk

The Organization's financial assets potentially subject to credit risk include cash and cash equivalents and receivables. At times, the Organization may have cash and cash equivalents at a financial institution in excess of insured limits. The Organization places its cash and cash equivalents with a financial institution whose credit rating is monitored by management to minimize the concentration of credit risk. Receivables are due from business entities and individuals and are not concentrated in any one group or geographic location.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization has determined that an allowance for doubtful accounts is unnecessary based on the nature of its select member base. Delinquent accounts are written off based on the specific circumstances and individual credit evaluation of the member.

Revenue Recognition

Membership dues are recognized as revenues in the membership period to which the dues relate. Accordingly, dues paid by members in advance of the membership period are reported as prepaid memberships in the accompanying statements of financial position.

Income Tax Status

The Organization qualifies and operates as a tax-exempt organization under Section 501(c)(5) of the Internal Revenue Code and is not a private foundation. The Organization received its determination letter January 13, 2015.

The Organization applies the provisions of FASB ASC Topic 740-10, Income Taxes which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. For the years ended December 31, 2018 and 2017, the Organization does not believe it has any uncertain tax positions or any related penalties and interest, therefore no recognition of uncertain tax positions is reflected in the financial statements.

The Organization is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose. There was no unrelated business income for the years ended December 31, 2018 and 2017, and as a result, there was no income tax liability.

The Organization files IRS Form 990 annually with the federal government. The Organization's 2015, 2016, and 2017 tax years are still subject to examination by taxing authorities.

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications – Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

NOTE 2 – COMMITMENTS

GRSB contracts with National Livestock Producers Organization (NLPA) for management, administrative and operating services on a yearly basis. The agreement will remain in effect until terminated by either party subject to 60 days advance notice. The agreement provides for fixed monthly fees. The costs for these services were \$195,500 and \$195,500, respectively, for the years ended December 31, 2018 and 2017.

NOTE 3 – NET ASSETS

The Board of Directors has designated \$225,000 of the Organization's unrestricted net assets as a long-term emergency reserve to be used in the event of a significant shortfall in revenues. The board may annually add or subtract from the designation at its discretion.

NOTE 4 – SUBSEQUENT EVENTS

The Organization has evaluated events that occurred subsequent to December 31, 2018 through April 2, 2019 the date these financial statements were available to be issued, and has determined there were no material events requiring recognition or disclosure.

Global Roundtable for Sustainable Beef
Balance Sheet
March 31, 2019

ASSETS

Current Assets

Cash in Operating - ML *02005	\$	554,076.21
Accts Receivable - Members		<u>25,000.00</u>

Total Current Assets		579,076.21
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Other Assets

Total Other Assets		<u>0.00</u>
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Total Assets	\$	<u><u>579,076.21</u></u>
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LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$	<u>44,575.26</u>
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Total Current Liabilities		44,575.26
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Capital

Retained Earnings	102,693.04
Board Specified Reserve	225,000.00
Net Income	<u>206,807.91</u>

Total Capital		<u>534,500.95</u>
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Total Liabilities & Capital	\$	<u><u>579,076.21</u></u>
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Global Roundtable for Sustainable Beef
Aged Payables
As of Mar 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Vendor ID	Date	Invoice/CM #	0 - 30	31 - 60	61 - 90	Over 90 days	Amount Due
NLPA	3/31/19	2019-0078	16,291.67				16,291.67
NLPA			16,291.67				16,291.67
Ruaraidh Petre	3/31/19	2019-04	7,083.33				7,083.33
Ruaraidh Petre			7,083.33				7,083.33
Sarah J. Bohnenkamp	3/1/19	112718AUPDATE	1,603.00				1,603.00
	3/13/19	031319A	4,339.00				4,339.00
Sarah J. Bohnenkamp			5,942.00				5,942.00
SSCD	12/28/16	12302016				26,863.72	26,863.72
	12/31/18	Scofield AJE #3		-11,765.46			-11,765.46
SSCD				-11,765.46		26,863.72	15,098.26
Wild Apricot	12/20/18	2018-30			-160.00		-160.00
	2/20/19	2018-41	160.00				160.00
	3/20/19	2018-42	160.00				160.00
Wild Apricot			320.00		-160.00		160.00
Report Total			29,637.00	-11,765.46	-160.00	26,863.72	44,575.26

Global Roundtable for Sustainable Beef Aged Receivables As of Mar 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM	0-30	31-60	61-90	Over 90 days	Amount Due
McDonald's McDonald's Bob Langert Retail Tier 3	2019-001	20,000.00				20,000.00
McDonald's McDonald's		20,000.00				20,000.00
NCBA National Cattlemen's Beef A Dianne Harvanek Prod. Tier 3	2019-003	5,000.00				5,000.00
NCBA National Cattlemen's Beef		5,000.00				5,000.00
Report Total		25,000.00				25,000.00

Global Roundtable for Sustainable Beef
Income Statement
Compared with Budget
For the Three Months Ending March 31, 2019

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
Dues Revenues	\$ 51,166.67	\$ 60,000.00	\$ 279,916.67	\$ 327,500.00
Grant Income	0.00	5,000.00	0.00	5,000.00
Contract revenue	0.00	0.00	0.00	0.00
Meeting Revenue	31,750.00	3,000.00	31,750.00	3,000.00
Global Conference Revenue	0.00	0.00	0.00	0.00
Interest Income	443.52	291.67	1,413.33	875.01
Total Revenues	83,360.19	68,291.67	313,080.00	336,375.01
Expenses				
Meeting Expenses	0.00	7,000.00	2,186.63	9,200.00
Staff Travel Expense - Meeting	0.00	2,500.00	629.95	3,500.00
Executive Director Contract	7,083.33	7,083.33	21,249.99	21,249.99
Executive Director Travel	3,087.24	2,916.67	10,674.90	8,750.01
Leadership Travel	0.00	416.67	187.17	1,250.01
Administrative Services	16,291.67	16,291.67	48,875.01	48,875.01
Office Supplies & Expense	0.00	62.50	117.98	187.50
Postage & Shipping Expense	0.00	29.17	2.44	87.51
Telephone Expense	204.94	166.67	396.56	500.01
Legal Fees & Expense	1,464.37	125.00	1,464.37	375.00
Audit Expense	0.00	0.00	4,960.00	6,000.00
Bank Charges & Fees	334.65	187.50	1,057.10	562.50
Communications	6,421.86	4,291.67	14,469.99	12,875.01
Contract Expenses	0.00	5,000.00	0.00	15,000.00
Global Conference Expenses	0.00	0.00	0.00	0.00
Total Expenses	34,888.06	46,070.85	106,272.09	128,412.55
Net Income	\$ 48,472.13	\$ 22,220.82	\$ 206,807.91	\$ 207,962.46