

FY24-25 Proposed Budget v2024.03 Narrative

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March 1, 2024



APPROACH TO DETAILED DRAFT BUDGET DEVELOPMENT

- Budget developed based on FY21-23 actuals, FY23-24 budget, and FY23-24 forecasted year end based on 6 months of actuals.
- Suggestions from budget input forms have not been incorporated in this version of the budget; these will be taken into consideration in future budget updates along with programming updates.

REVENUE ASSUMPTIONS

- Grape Assessment Tax Revenue uses 3-year average based on actual FY21-22, FY22-23 and forecasted year end FY23-24.
- Wine Tax Revenue is typically forecast based on previous 3-year averages. This revenue has been on the decline since FY21-22. A conservative approach of two-year average of FY22-23 actual and FY23-24 forecasted year end was used for FY24-25 budget.
- Symposium Revenue is 5% increase over budget FY23-24
 - Symposium Revenue offset by Symposium Expenses for \$0 gain.
- Grant Revenue
 - WCLP \$20K grant
 - requires matching expenditure of OWB funds a portion can be in-kind.
 - SCBG \$60K (plus \$115K in FY25-26)
- Program Revenue \$40K in participation and tickets fees to support SCBG program to offset SCBG Program Expenses

EXPENSE ASSUMPTIONS

- FY24-25 expenses exceed revenue ~\$100K
 - Overage to be covered by forecasted FY23-24 surplus
- Continue with all current programs; expenses scaled to meet available funds
- Programming Expenses to support Specialty Crop Block Grant and Wine Country License Plate Grant
- \$20K to for startup/launch Industry Database/CRM
- Additional payment for Winery and Vineyard Census for Feb 1 completion date
- \$5K for Salary Survey
- \$2K for DEI Leadership-Infrastructure to be adjusted as program is developed and defined

		FY 23-24 Budget vDec2023	FY 23-24 Year End Forecast (based on 2Qs)	FY24-25 Proposed Budget v2024.03
Revenue				
	Grape Assessment (\$25/ton)	\$1,872,572	\$2,000,000	\$1,978,604
	Privelage Tax (2¢/gal)	\$328,725	\$318,500	\$312,000
	Program Revenue	\$0	\$5,250	\$40,000
	Symposium Revenue	\$326,250	\$326,250	\$342,500
	Interest Revenue	\$50	\$50	\$50
	Specialty Crop Block			\$60,000
	Wine Country License Plate	\$7,500	\$7,500	\$20,000
Total Revenue		\$2,535,097	\$2,657,550	\$2,753,154
Expenses				
	Research	\$478,071	\$400,460	\$412,410
	Industry Education	\$523,815	\$516,710	\$518,500
	Marketing & Communications	\$1,011,820	\$1,023,288	\$957,000
	Knowledge & Insights	\$193,522	\$175,365	\$198,500
	Leadership & Partnership	\$216,059	\$174,423	\$193,000
	General & Admin	\$817,251	\$902,900	\$591,000
Total Expenses		\$3,240,538	\$3,193,145	\$2,870,410
Net Income		-\$705,441	-\$535,595	-\$117,256
Total Compensation		\$1,240,108	\$1,281,435	\$1,200,000

	FY 23-24 Budget vDec2023	FY 23-24 Year End Forecast (based on 2Qs)	FY24-25 Proposed Budget v2024.03	Comments
Income				
4100 Grape Assessment (\$25/ton)	1,872,572.00	2,000,000.00	1,978,603.83	~3 year average based on FY23-24 year end forecast; conservative Jan-May tonnage tax (\$2,031,937.16)
4200 Wine Tax (2c/gal)	328,725.00	318,500.00	312,000.00	avg of FY22-23 actual + FY23-24 forecast for conservative approach due to declining revenue
4300 Program Revenue	0.00	0.00		
4305 Marketing Participation Revenue	0.00	650.00	40,000.00	SCBG Participation & Consumer Tastings
4330 Export Participation Revenue	0.00	0.00		
4331 ProWein	0.00	3,600.00		
4334 Canada Trade Tasting	0.00	1,000.00		
Total 4330 Export Participation Revenue	\$ 0.00	\$ 4,600.00	\$ 0.00	
Total 4300 Program Revenue	\$ 0.00	\$ 5,250.00	\$ 40,000.00	
4310 Symposium Revenue	326,250.00	326,250.00	342,500.00	
4500 Other Income				
4510 Interest Revenue	50.00	50.00	50.00	
Total 4500 Other Income	\$ 50.00	\$ 50.00	\$ 50.00	
4600 Grant Revenue				
4620 Specialty Crop Block			60,000.00	FY25-26 = \$115,000
4632 Wine Country License Plate	7,500.00	7,500.00	20,000.00	Requires 1:1 match in expenses; up to 50% in kind
Total 4600 Grant Revenue	\$ 7,500.00	\$ 7,500.00	\$ 80,000.00	
Total Income	\$ 2,535,097.00	\$ 2,657,550.00	\$ 2,753,153.83	
Expenses				
1R000 Research.				
R100 Vit & Enological Research				
R101 Grants.	353,860.00	279,060.00	341,410.00	R&D Committee to request additional funding at April meeting based on projects to be funded
R101.01 Special Grant Award - Smoke Research	6,140.00	0.00	0.00	move \$6140 to R101.01
R101.02 Vine Mealybug Delimitation	50,000.00	50,000.00		
Total R101 Grants.	\$ 410,000.00	\$ 329,060.00	\$ 341,410.00	
R104 Grant Management/Administration			7,500.00	R&D Grant Management
Total R100 Vit & Enological Research	\$ 410,000.00	\$ 329,060.00	\$ 348,910.00	17.6% of total tonnage tax invested directly in R&D
R800 Research. Administration				
R801 Research.Committee Meetings	4,000.00	2,000.00	0.00	
R803 Research.Mtg & Travel	5,000.00	10,000.00		sending 3 to DC; travel for FY22-23 in this year; moving supported travel for NWCSFR to R804 in FY24-25
R804 NWCSFR Contribution	3,000.00	3,300.00	8,500.00	Northwest Center for Small Fruits Research & Meeting Travel for 2
Total R800 Research. Administration	\$ 12,000.00	\$ 15,300.00	\$ 8,500.00	
R900 Research.Employee Compensation	56,071.00	56,100.00	55,000.00	
Total 1R000 Research.	\$ 478,071.00	\$ 400,460.00	\$ 412,410.00	

	FY 23-24 Budget vDec2023	FY 23-24 Year End Forecast (based on 2Qs)	FY24-25 Proposed Budget v2024.03	Comments
2E000 Industry Education.				
E100 Symposium				
E101 Audio/Visual	56,000.00	56,000.00	60,000.00	
E103 Facility	64,279.00	64,279.00	68,000.00	
E104 Food and Beverage	29,000.00	29,000.00	32,000.00	
E105 Materials, Fees, Misc	59,195.00	59,195.00	62,000.00	
E108 Spanish Translation	7,000.00	7,000.00	8,000.00	
E109 Speakers	52,000.00	52,000.00	52,000.00	
E112 Marketing	1,839.00	1,839.00	2,500.00	
E113 Event Management Contractor	56,937.00	56,937.00	58,000.00	
Total E100 Symposium	\$ 326,250.00	\$ 326,250.00	\$ 342,500.00	
E200 Education Projects				
E201 Misc Workshops	1,000.00	1,000.00		
E202 DTC/ Workshop	5,000.00	5,000.00		
E203 Profit Calculator Development	3,000.00	3,000.00	3,000.00	ongoing support of Profit Calculator
E205 Community Benchmark	0.00	0.00		moved to Knowledge & Insights
Total E200 Education Projects	\$ 9,000.00	\$ 9,000.00	\$ 3,000.00	
E800 Education.Administration	0.00			
E801 Education.Committee Meetings	2,000.00			
E802 Education.Collateral & Mtls	0.00	50.00		
E803 Education.Employee Development	5,000.00			
E804 Education.Mtg & Travel Expense	18,000.00	15,000.00	8,000.00	
Total E800 Education.Administration	\$ 25,000.00	\$ 15,050.00	\$ 8,000.00	
E900 Education.Employee Compensation	163,565.00	166,410.00	165,000.00	
Total 2E000 Industry Education.	\$ 523,815.00	\$ 516,710.00	\$ 518,500.00	
3M000 Marketing.				
1B000 Brand Equity & Brand Identity	0.00			
B100 Agency Fees (brand identity creative)				
B101 Consumer Website Concept/Design/Maintenance	0.00	280.00	500.00	
B104 OWM Replacement Campaign Material (agency dev fees)				
B106 Social Media Contractor	20,000.00	22,000.00	20,000.00	
B107 Digital Advertising	15,000.00	15,000.00	2,500.00	
Total 1B000 Brand Equity & Brand Identity	\$ 35,000.00	\$ 37,280.00	\$ 23,000.00	
2T000 Tourism				
M101 Oregon Wine Month	0.00			
M101.01 OWM - Trade Programming	15,000.00	15,000.00	5,000.00	
M101.02 OWM - Creative and Project Mngmt	15,000.00	15,000.00	5,000.00	
M101.03 OWM - POS Printing & Distribution	25,000.00	25,000.00	10,000.00	
M101.04 OWM - Media Plan & Mngmt	50,000.00	50,000.00	20,000.00	
M101.05 OWM - Digital Promotion	15,000.00	15,000.00	5,000.00	
M101.06 OWM - Merchandising Support	30,000.00	30,000.00	5,000.00	
Total M101 Oregon Wine Month	\$ 150,000.00	\$ 150,000.00	\$ 50,000.00	

	FY 23-24 Budget vDec2023	FY 23-24 Year End Forecast (based on 2Qs)	FY24-25 Proposed Budget v2024.03	Comments
M102 Wines Fly Free	10,000.00	10,763.62	1,000.00	would like more for PDX promotion and airport expansion
M108 Bounty & Vine				
	10,000.00	10,926.25	35,000.00	timing for grants questionable; assumes 20K from WCLP Grant; 1:1 match w/25% in kind
M205 Wine Guide	15,000.00	10,000.00	25,000.00	
T100 Touring Guide Design and Production				
T102 Content Development (includ. photog, Travel OR	25,000.00	24,161.73	0.00	
T103 Consumer Website Platform Upgrade				
Total 2T000 Tourism	\$ 210,000.00	\$ 205,851.60	\$ 111,000.00	
3X000 Market Expansion				
I000 International Marketing	0.00			
I101 Northwest Wine Coalition	65,000.00	67,000.00	75,000.00	
I102 Non-Reimbursable Event Cost	20,000.00	25,432.00	7,500.00	
I103 Reimbursed Expenses	0.00	0.00	0.00	
I103.01 Billable Shipping, Freight & Delivery				
Total I103 Reimbursed Expenses	\$ 0.00	\$ 0.00	\$ 0.00	
I900 Logistics & Admin Consultants	85,000.00	85,000.00	90,000.00	
Total I000 International Marketing	\$ 170,000.00	\$ 177,432.00	\$ 172,500.00	
X101 Resource Studio + Website Platform Upgrade				
X103 Trade Education Tools & Events	0.00			
M104 Other Programs	5,000.00	5,000.00		
M105 Trade Events - Teksom	14,000.00	13,449.23	14,000.00	Teksom or Aspen Food & Wine
M106 Marketing Events SCBG				
	0.00		112,500.00	SCBG - Oregon Roadshow + 2 events in 25-26 @ \$100K each; plus \$12,500 contrib from OWB budget each year
M107 Trade Organization Sponsorship	10,000.00	10,000.00	0.00	
M109 Domestic Trade Tasting/Education	10,000.00	10,000.00	0.00	
M201 Resource Studio	15,000.00	10,000.00	7,000.00	media library \$7k crowdriff
X100 Learn Oregon Content Maintenance & Upgrades				
Total X103 Trade Education Tools & Events	\$ 54,000.00	\$ 48,449.23	\$ 133,500.00	
Total 3X000 Market Expansion	\$ 224,000.00	\$ 225,881.23	\$ 306,000.00	
4C000 Communications				
C100 Media Relations				
C100.01 MR - Cross Border Tour	12,000.00	12,000.00	7,500.00	
C100.02 MR - Shoulder Season Media Tours	8,000.00	8,000.00	5,000.00	
C100.03 MR - Association Opportunities	15,000.00	15,000.00	7,500.00	
C100.04 MR - Critical Reviewer Coordination	15,000.00	15,000.00	12,000.00	
C100.05 MR - Wine Sample Shipments	3,500.00	3,000.00	2,000.00	
C100.06 MR - Media Hosting & Briefings	15,000.00	15,000.00	10,000.00	
C100.07 MR - Other Programming/Consultants	58,000.00	90,000.00	0.00	
Total C100 Media Relations	\$ 126,500.00	\$ 158,000.00	\$ 44,000.00	
C200 Media Analytics	10,115.00	10,200.00	12,000.00	

	FY 23-24 Budget vDec2023	FY 23-24 Year End Forecast (based on 2Qs)	FY24-25 Proposed Budget v2024.03	Comments
C800 Comm.Administration	0.00			
C801 Subs & Pubs	1,900.00	1,900.00	1,000.00	
C802 Comm.Collateral & Materials	3,000.00	1,500.00	500.00	
C804 Comm.Mtg &Travel	3,000.00	3,000.00	2,000.00	
Total C800 Comm.Administration	\$ 7,900.00	\$ 6,400.00	\$ 3,500.00	
C900 Comm.Employee Compensation	73,925.00	53,725.00	150,000.00	
Total 4C000 Communications	\$ 218,440.00	\$ 228,325.00	\$ 209,500.00	
M100 Event Marketing				
M200 Marketing Collateral				
M207 Photography				
Total M200 Marketing Collateral	\$ 0.00	\$ 0.00	\$ 0.00	
M800 Marketing.Administration	0.00			
M801 Marketing.Committee Meetings	5,000.00	2,000.00		
M802 Marketing.Collateral & Mtls	10,000.00	10,000.00	500.00	
M803 Marketing.Employee Development		2,000.00		
M804 Marketing.Mtg &Travel	12,000.00	10,000.00	7,000.00	
Total M800 Marketing.Administration	\$ 27,000.00	\$ 24,000.00	\$ 7,500.00	
M900 Marketing.Employee Compensation	297,380.00	301,950.00	300,000.00	
Total 3M000 Marketing.	\$ 1,011,820.00	\$ 1,023,287.83	\$ 957,000.00	
4K000 Knowledge & Insights.				
M300 Marketing Research	0.00			
M301 Marketing Research	20,000.00	5,000.00		
M302 Nielsen Data	7,500.00	5,000.00		
M304 Wine Market Council	5,000.00	5,000.00	5,000.00	
M305 Community Benchmark	17,450.00	17,450.00	23,500.00	
Total M300 Marketing Research	\$ 49,950.00	\$ 32,450.00	\$ 28,500.00	
R200 Industry Research	0.00			
R201 Ag Census	82,265.00	82,265.00	130,000.00	shift to complete survey by Feb 1; 1.5 survey costs in FY24-25
R202 Economic Impact	20,000.00	22,000.00		every 3 years
R203 Misc. Studies	8,750.00	5,000.00	5,000.00	\$5K Salary Survey
Total R200 Industry Research	\$ 111,015.00	\$ 109,265.00	\$ 135,000.00	
zK900 Knowledge & Insights Compensation	32,557.00	33,650.00	35,000.00	
Total 4K000 Knowledge & Insights.	\$ 193,522.00	\$ 175,365.00	\$ 198,500.00	
5L000 Leadership & Partnership				
G200 Industry Contributions	0.00			
G201 Misc Industry Contributions	15,000.00	10,000.00	10,000.00	
Total G200 Industry Contributions	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00	
G301 Grant Writing			0.00	
L100 Regional Meetings (including external stakeholders)	2,500.00	1,000.00	0.00	
L103 Program Contributions	0.00		0.00	

	FY 23-24 Budget vDec2023	FY 23-24 Year End Forecast (based on 2Qs)	FY24-25 Proposed Budget v2024.03	Comments
G600 Industry Relations	0.00		0.00	
G601 Subscriptions	35,000.00	28,000.00	50,000.00	includes \$20K start up for CRM
G602 Administration/Annual Report	5,000.00	6,222.50	4,000.00	
G603 Strategic Planning	40,000.00	20,000.00	30,000.00	
G604 Industry Website Platform Upgrade	4,000.00	4,000.00	0.00	
G605 DEI Leadership-Infrastructure	8,400.00	4,000.00	2,000.00	
Total G600 Industry Relations	\$ 92,400.00	\$ 62,222.50	\$ 86,000.00	
Total L103 Program Contributions	\$ 92,400.00	\$ 62,222.50	\$ 86,000.00	
L800 Leadership & Partnership Administration	0.00			
L804 Partnership.Mtg &Travel	6,000.00	3,000.00	2,000.00	
Total L800 Leadership & Partnership Administration	\$ 6,000.00	\$ 3,000.00	\$ 2,000.00	
L900 Leadership & Partnership.Employee Compensation	100,159.00	98,200.00	95,000.00	
Total 5L000 Leadership & Partnership	\$ 216,059.00	\$ 174,422.50	\$ 193,000.00	
6G000 General & Admin				
G100 Board Administration	0.00			
G101 Meetings.Board	10,300.00	12,000.00	8,000.00	
G102 Travel Expense.Board	5,000.00	6,000.00	5,000.00	
G103 Board Director Compensation	10,000.00	10,000.00	10,000.00	
Total G100 Board Administration	\$ 25,300.00	\$ 28,000.00	\$ 23,000.00	
G300 Consultants	0.00			
G302 Financial Review	10,000.00	10,000.00		every other year
Total G300 Consultants	\$ 10,000.00	\$ 10,000.00	\$ 0.00	
G500 Office Administration	0.00			
G501 Rent	0.00		24,000.00	
G502 Equipment/Furniture/Maintenance	31,000.00	35,000.00	20,000.00	
G503 Postage/Supplies/Fees	16,000.00	20,000.00	16,000.00	
G504 Telephone/Internet Fees	6,000.00	7,000.00	6,000.00	
Total G500 Office Administration	\$ 53,000.00	\$ 62,000.00	\$ 66,000.00	
G800 Staff Administration	0.00			
G802 Employee Development.G&A	20,500.00	20,500.00	8,000.00	
G803 Mtg &Travel.G&A	42,000.00	57,000.00	15,000.00	
G804 Temp & Contract Support	70,000.00	72,000.00	20,000.00	
G805 Legal Fees	10,000.00	12,000.00	9,000.00	
Total G800 Staff Administration	\$ 142,500.00	\$ 161,500.00	\$ 52,000.00	
G900 Employee Compensation.G&A	516,451.00	571,400.00	400,000.00	
G999 Accrued PTO Balances	70,000.00	70,000.00	50,000.00	
Total 6G000 General & Admin	\$ 817,251.00	\$ 902,900.00	\$ 591,000.00	
Total Expenses	\$ 3,240,538.00	\$ 3,193,145.33	\$ 2,870,410.00	
Net Operating Income	-\$ 705,441.00	-\$ 535,595.33	-\$ 117,256.17	
Net Income	-\$ 705,441.00	-\$ 535,595.33	-\$ 117,256.17	

	FY 23-24 Budget vDec2023	FY 23-24 Year End Forecast (based on 2Qs)	FY24-25 Proposed Budget v2024.03	Comments
Beginning Balance	1,267,129.00	1,267,129.00	731,533.67	
Ending Balance	561,688.00	731,533.67	614,277.50	
Reserve Goal (30% of 3 yr Avg Grape Assessment)	561,771.60	593,581.15	593,581.15	
Surplus/Deficit after Reserve Goal	-83.60	137,952.52	20,696.35	
Total Compensation	1,240,108.00	1,281,435.00	1,200,000.00	