

oregon wine BOARD

**Oregon Wine Board
2024 Semi-Independent Agency Report
2021-2023 Biennium**

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Separate Attachments

[Oregon Wine Board FY21-22 and FY22-23 Annual Reports](#)

Section I: Copy of Financial Review

The Report of Independent Accountants issued by Moss Adams and OWB Financial Statements for the 2021-23 biennium are included in the following pages.

Report of Independent Accountants



Report of Independent Accountants

Oregon Wine Board
Oregon Secretary of State Audits Division

We have performed the procedures enumerated below, on the accounting records noted below for the Biennium ended June 30, 2023 (the Biennium). The Oregon State Wine Board (the Board or OWB) is responsible for the accounting records noted below.

The Oregon State Wine Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the Oregon Wine Board in complying with Oregon Revised Statute (ORS) 182.464. Additionally, the Oregon Secretary of State Audit Division has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed and our findings are as follows:

Receiving, Recording and Reporting Transactions

1. We obtained a listing of internal controls for receiving, recording and reporting transactions. We agreed the listing of internal controls to the Board's policies and procedures without exception.
 - a. Executive Assistant (formerly Ops Manager) picks up the mail, scans in any checks and emails the scans to accounting and finance. The checks are then stamped with the appropriate restricted endorsement stamp.
 - b. All revenues received via on-line credit card payments should be posted into QuickBooks monthly and a copy of the transaction with all pertinent information, including payee, date of payment into the OWB bank account, the amount and the reason for the payment, will be filed in the file for credit card transactions.
 - c. The Accounting Manager will reconcile the check log to the cash receipts that were deposited at the bank to ensure that all checks were deposited.
 - d. The Accounting Manager insures all invoices have the account code written on them and approved by the appropriate Program Manager of Vice President of Finance and Administration to being processed.
 - e. Expense reports must be approved by [the employee's] manager in Expensify. The President's credit card expense report and back-up documentation will be given to the Board Chair for approval in Expensify.
 - f. The President will review payroll expenditures and allocations twice annually.

2. We obtained a schedule from management of all transactions that occurred during the Biennium and haphazardly selected 10 transactions. Upon receipt of the listing of the internal controls from Procedure 1, we compared those internal controls identified to the evidence of the control taking place for each of the 10 transactions selected. The results of our procedures are included in the table below:

RRRT Transactions Selected	Control B	Control D	Control E	Control F
1	N/A	✓	N/A	N/A
2	N/A	✓	✓	N/A
3	N/A	✓	N/A	N/A
4	N/A	✓	✓	N/A
5	N/A	✓	✓	N/A
6	N/A	✓	N/A	N/A
7	N/A	✓	N/A	N/A
8	N/A	N/A	N/A	✓
9	N/A	N/A	N/A	✓
10	✓	N/A	N/A	N/A
✓	= Procedure performed without exception			
N/A	= Control not applicable for this selection			
<i>Controls A and C not applicable to any of the items selected.</i>				
Control B: Revenues: Online payments: We agreed a copy of the transaction documentation for payee, date of payment, amount, and reason for payment.				
Control D: Expenses: We obtained the invoice and noted both account coding and approval.				
Control E: Expenses: Employee expenses: We noted the Expensify expense report contained Manager or Board Chair approval.				
Control F: Expenses: Payroll: We noted payroll journal contained evidence of twice-yearly review and approval by VP Operations and Finance and by President.				

Bank Reconciliations

3. We confirmed bank balances with financial institutions that the Board uses as of June 30, 2023. We agreed the confirmations to the June 30, 2023, bank reconciliations without exception.
4. We obtained the following list of internal controls over bank reconciliations. We agreed the list of internal controls to the Board's policies and procedures without exception.
 - a. The Accounting Manager will attach the completed bank reconciliation to the applicable bank statement along with all documentation.
 - b. The Accounting Manager will review the reconciliations and investigate any checks that are outstanding over six months.
 - c. The reconciliation report will be reviewed, approved, dated, and initialed by the VP Operations and Finance.

5. We obtained a list from management of all bank reconciliations for the Biennium and haphazardly selected 3 reconciliations. Upon receipt of the listing of the internal controls from Procedure 8, we compared those internal controls identified to the evidence of the control taking place for each of 3 reconciliations selected. The results of our procedures are included in the table below:

Reconciliations Selected	Control A	Control B	Control C
1	✓	☒	✓
2	✓	☒	✓
3	✓	☒	✓
✓	= Procedure performed without exception		
☒	= Procedure exception		
N/A	= Control not applicable for this selection		
Control A: We agreed bank reconciliation to attached bank statement and supporting documentation.			
Control B: We inspected bank reconciliation for checks outstanding over 6 months and evidence of investigation, if any noted.			
Control C: We noted the bank reconciliations contained initials indicating review and approval from the VP of Operations and Finance.			

Regarding Control B, Moss Adams noted that the bank reconciliation contained no supporting evidence of investigation or resolution of the outstanding checks over six months.

6. We haphazardly selected 3 reconciling items from each of the bank reconciliations selected in Procedure 5 and noted that one reconciling item contained supporting evidence. The other eight reconciling items selected were aged outstanding checks that we were not able to agree to supporting documentation.

Revenues

7. We obtained the following list of internal controls over revenues. We agreed the list of internal controls to the Board's policies and procedures without exception.
- a. Checks: Executive Assistant (formerly Ops Manager) picks up the mail, scans in any checks and emails the scans to accounting and finance. The checks are then stamped with the appropriate restricted endorsement stamp.
 - b. Credit card: All revenues received via on-line credit card payments should be posted into QuickBooks monthly and a copy of the transaction with all pertinent information, including payee, date of payment into the OWB bank account, the amount and the reason for the payment, will be filed in the file.
 - c. ACH: For grape assessments and wine tax revenues received from the OLCC by ACH, the monthly bank reconciliation includes a comparison of dates and amounts of deposits and other credits as shown in QuickBooks and on the bank statement.

8. We obtained a schedule from management of revenues during the Biennium, and haphazardly selected 10 non-licensure revenue items. Upon receipt of the listing of the internal controls from Procedure 6, we compared those internal controls identified to the evidence of the control taking place for each of the 10 revenue items selected. The results of our procedures are included in the table below:

Revenues Selected	Control B	Control C
1	N/A	✓
2	N/A	✓
3	N/A	✓
4	N/A	✓
5	N/A	✓
6	N/A	✓
7	✓	N/A
8	✓	N/A
9	✓	N/A
10	✓	N/A
✓	= Procedure performed without exception	
N/A	= Control not applicable for this selection	
<i>Controls A not applicable to any of the items selected.</i>		
Control B: Online payments: We agreed a copy of the transaction documentation for payee, date of payment, amount, and reason for payment.		
Control C: Online payments: We noted that the monthly bank reconciliation includes a comparison of dates and amounts of deposits and other credits as shown in QuickBooks and on the bank statement.		

Expenses

9. We obtained the following list of internal controls over expenses. We agreed the list of internal controls to the Board's policies and procedures without exception.
- a. The Accounting Manager ensures that the account code is evidenced on the invoice and we noted the appropriate Program Manager or Vice President of Finance and Admin's signature is present as evidence of approval for payment, or email approval is documented in lieu of physical signature.
 - b. Expense reports must be approved by [the employee's] manager in Expensify. The President's credit card expense report and back-up documentation will be given to the Board Chair for approval in Expensify.
 - c. The President will review payroll expenditures and allocations twice annually.

10. We obtained a schedule from management of expenses during the Biennium, and haphazardly selected 10 expense items. Upon receipt of the listing of the internal controls from Procedure 9, we compared those internal controls identified to the evidence of the control taking place for each of the 10 expense items selected. The results of our procedures are included in the table below:

Expenses Selected	Control A	Control B	Control C
1	✓	N/A	N/A
2	✓	N/A	N/A
3	✓	N/A	N/A
4	✓	N/A	N/A
5	✓	N/A	N/A
6	✓	N/A	N/A
7	✓	N/A	N/A
8	N/A	N/A	✓
9	N/A	N/A	✓
10	✓	N/A	N/A
✓	= Procedure performed without exception		
N/A	= Control not applicable for this selection		
Control A: Expenses: We noted the invoice contained account coding and approval.			
Control B: Expenses: Employee expenses: We noted Expensify expense report contained Manager or Board Chair approval.			
Control C: Expenses: Payroll: We noted the payroll journal contained evidence of twice-yearly review and approval by VP Operations and Finance and by President.			

Budgets

We reviewed the budget to actual report for the Biennium, and we noted that the following budget line items exceeded 10% of total revenues or expenses and had a variance exceeding 10% of total revenues or expenses for the biennium.

- a. Total Research Expense; actual was 22.7% (\$198,119) less than budget. We obtained documented support from management for the variance.
- b. Total Education Expense; actual was 12% (\$116,940) less than budget. We obtained documented support from management for the variance.
- c. Total Marketing & Communications Expense; actual was 19.9% (\$374,583) less than budget. We obtained documented support from management for the variance.

We noted that the following budget line items exceeded 10% of total revenues or expenses but did not have a variance exceeding 10% of total revenue or expenses for the biennium so did not perform any additional procedures. As follows:

- d. Grape Assessment Revenue (\$25/ton); actual was 4% more than budget
- e. Wine Tax Revenue (2c/gal); actual was 3.5% more than budget
- f. Grants Expense; actual was 8.9% less than budget
- g. Employee Compensation G&A Expense; actual was 9.9% more than budget
- h. General & Admin; actual was 2.2% less than budget

11. We obtained the following list of internal controls for the reporting of financial information (budget to actuals) and reviewed 8 quarterly reports to the Board to determine compliance with the internal controls.

- a. Every quarter the Board Meeting will include discussion of the Balance Sheet Profit & Loss with Budget to Actual Report.

Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8
Control A	✓	✓	✓	✓	✓	✓	✓	✓
✓ = Procedure performed without exception								
Control A: We noted the Board Meetings contained discussion of the balance sheet and profit & loss with budget to actual report.								

Financial Statements

12. We obtained the internal financial statements prepared by management for the Biennium and noted that the financial statements agree to the general ledger.

13. We compared the schedules obtained for Procedures 8 and 10 to the internal financial statements or to the underlying general ledger accounts and noted that the schedule totals agreed to the financial statements or the underlying general ledger accounts.

We were engaged by the Oregon Wine Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on accounting records of the Oregon Wine Board for the Biennium ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Oregon Wine Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Moss Adams LLP

Portland, Oregon
March 7, 2024

Balance Sheet for the FY21-23 Biennium as of June 30, 2023

21-23 Balance Sheet

Oregon Wine Board

Balance Sheet

	<u>As of June 30, 2023</u>
ASSETS	
Current Assets	
Bank Accounts	
1000 Umpqua Bank Checking	779,134
1050 Umpqua Bank Money Market	549,017
Total Bank Accounts	<u>1,328,151</u>
Accounts Receivable	
1200 Accounts Receivable	232,452
Total Accounts Receivable	<u>232,452</u>
Total Other Current Assets	<u>0</u>
Total Current Assets	<u>1,560,603</u>
Other Assets	
1220 Reimburse Paid Expenses	0
1250 Prepaid Expenses	67,788
Total Other Assets	<u>67,788</u>
TOTAL ASSETS	<u>1,628,391</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Total Accounts Payable	<u>221,303</u>
Total Credit Cards	<u>51,888</u>
Other Current Liabilities	
2101 Payroll Liabilities	4,265
2120 Accrued PTO Balance	77,000
Total 2101 Payroll Liabilities	<u>81,265</u>
Total Other Current Liabilities	<u>81,265</u>
Total Current Liabilities	<u>354,456</u>
Total Liabilities	<u>354,456</u>
Equity	
3000 Opening Bal Equity	13,493
3900 Retained Earnings	1,215,593
Net Income	44,849
Total Equity	<u>1,273,935</u>
TOTAL LIABILITIES AND EQUITY	<u>1,628,391</u>

Profit & Loss Statement for FY21-23 Budget-Actuals-Variance

FY21-23 Budget-Actuals-Variance

Oregon Wine Board

Profit & Loss Statement

	FY 21-22 Budget As Approved	FY 22-23 Budget As Approved	FY2021-2023 Biennium Budget	FY 21-22 Actual	FY 22-23 Actual	FY2021-2023 Biennium Actuals	Actual - Budget	Variance
Income								
4100 Grape Assessment (\$25/ton)	1,883,975	1,894,968	3,778,943	2,049,862	1,885,950	3,935,811	156,868.48	4.2%
4200 Wine Tax (2d/gal)	310,145	324,948	635,093	352,194	305,342	657,536	22,443.40	3.5%
4310 Symposium Revenue	150,000	353,967	503,967	101,051	268,860	369,912	(134,055.21)	-26.6%
4500 Other Income								
4510 Interest Revenue	2,000	50	2,050	60	55	115	(1,935.18)	-94.4%
Total 4500 Other Income	2,000	50	2,050	60	55	115	(1,935.18)	-94.4%
4600 Grant Revenue								
4620 Specialty Crop Block	84,500	84,500	169,000	84,750	84,750	169,500	500.00	0.3%
4632 Wine Country License Plate	49,000		49,000	14,000	35,000	49,000	0.00	0.0%
Total 4600 Grant Revenue	133,500	84,500	218,000	98,750	119,750	218,500	500.00	0.2%
4690 HB 5006 Funds								
4693 Marketing	0	55,956	55,956		55,956	55,956	0.00	0.0%
Total 4690 HB 5006 Funds	0	55,956	55,956	0	55,956	55,956	0.00	0.0%
Total Income	2,479,620	2,714,389	5,194,009	2,601,917	2,635,913	5,237,830	43,821.49	0.8%
Expenses								
1R000 Research.								
R100 Vit & Enological Research								
R101 Grants.	280,000	359,409	639,409	287,766	337,967	625,722	(13,686.89)	-2.1%
R102 NW Small Fruits (deleted)			0	3,000		3,000	3,000.00	
R104 Grant Management/Administration			0		7,500	7,500	7,500.00	
Special Grant Award - Smoke Research	50,000	56,140	106,140			0	(106,140.00)	-100.0%
R103 - Online V&E Knowledge Center	0	0	0			0	0.00	
Total R100 Vit & Enological Research	330,000	415,549	745,549	290,766	345,467	636,222	(109,326.89)	-14.7%
R800 Research, Administration								
R801 Research.Committee Meetings	2,000	4,000	6,000	106		106	(5,894.05)	-98.2%
R803 Research.Mtg & Travel	6,000	3,000	9,000	4,601	91	4,692	(4,308.10)	-47.9%
R804 NWC SFR Contribution	3,000	5,000	8,000		3,000	3,000	(5,000.00)	-62.5%
Total R800 Research, Administration	11,000	12,000	23,000	4,707	3,091	7,798	(15,202.15)	-66.1%
R900 Research.Employee Compensation	42,381	62,448	104,829	23,297	51,229	74,526	(30,303.18)	-28.9%
Total 1R000 Research.	383,381	489,997	873,378	318,769	398,777	718,546	(154,832.22)	-17.7%
2E000 Industry Education.								
Total E100 Symposium	150,000	353,967	503,967	104,359	284,781	389,140	(114,826.95)	-22.8%
E200 Education Projects								
E201 Misc Workshops	1,000	1,000	2,000			0	(2,000.00)	-100.0%
E202 DTC/Sales Workshops	10,000		10,000			0	(10,000.00)	-100.0%
E203 Profit Calculator Development	5,000	3,000	8,000	3,000		3,000	(5,000.00)	-62.5%
E205 Community Benchmark	84,500	84,500	169,000	94,750	74,750	169,500	500.00	0.3%
Total E200 Education Projects	100,500	88,500	189,000	97,750	74,750	172,500	(16,500.00)	-8.7%
E800 Education, Administration								
E801 Education.Committee Meetings	1,000	2,000	3,000		24	24	(2,976.01)	-99.2%
E803 Education.Employee Development	0	0	0	1,195		1,195	1,195.00	
E804 Education.Mtg & Travel Expense	3,000	8,000	11,000	6,274	11,645	17,919	6,918.59	62.9%
Total E800 Education, Administration	4,000	10,000	14,000	7,469	11,669	19,138	5,137.58	36.7%
E900 Education.Employee Compensation	107,783	163,201	270,984	119,602	160,146	279,748	8,763.95	3.2%
Total 2E000 Industry Education.	362,283	615,668	977,951	329,180	531,345	860,526	(117,425.42)	-12.0%
3M000 Marketing.								
1B000 Brand Equity & Brand Identity								
B100 Agency Fees (brand identity creative)	10,000		10,000	4,944		4,944	(5,055.76)	-50.6%
B101 Consumer Website Concept/Design/Maintenance	94,000		94,000	110,980	1,306	112,286	18,286.42	19.5%
B103 Regional Expression of Brand Work		3,000	3,000			0	(3,000.00)	-100.0%
B104 OWM Replacement Campaign Material (agency dev fees)	35,000		35,000	26,818		26,618	(8,182.18)	-23.4%
B106 Social Media Contractor		15,000	15,000	400	11,389	11,789	(3,200.57)	-21.3%
B106 - Photography	4,000		4,000			0	(4,000.00)	-100.0%
B107 Digital Advertising			0		2,852	2,852	2,852.15	
Total 1B000 Brand Equity & Brand Identity	143,000	18,000	161,000	143,142	15,558	158,700	(2,299.94)	-1.4%
2T000 Tourism								
M101 Oregon Wine Month	75,000	125,000	200,000	32,082	65,640	97,722	(102,277.88)	-51.1%
M102 Wines Fly Free	10,000	18,000	28,000	1,439	485	1,824	(26,075.80)	-93.1%
M205 Wine Guide	15,000	65,000	80,000		38,685	38,685	(41,315.05)	-51.6%
T100 Touring Guide Design and Production			0	1,038		1,038	1,038.24	
T102 Content Development (Includ. photog, Travel OR)	10,000	10,000	20,000		1,914	1,914	(18,086.30)	-90.4%
T103 Consumer Website Platform Upgrade	5,000		5,000	11,563		11,563	6,562.50	131.3%
MXXX - Ad/Search Spend		10,000	10,000			0	(10,000.00)	-100.0%
Total 2T000 Tourism	115,000	228,000	343,000	46,122	106,723	152,646	(190,154.29)	-55.4%
3X000 Market Expansion								
I000 International Marketing								
I101 Northwest Wine Coalition	65,000	65,000	130,000	54,440	59,440	113,880	(16,120.00)	-12.4%
I102 Non-Reimbursable Event Cost	30,000	15,000	45,000	65,705	15,003	80,710	35,709.73	79.4%
I103 Reimbursed Expenses	0	0	0	126,764	20,572	147,336	147,335.62	
I900 Logistics & Admin Consultants	90,000	80,000	170,000	69,305	66,000	135,305	(34,693.69)	-20.4%
Total I000 International Marketing	185,000	160,000	345,000	316,217	161,015	477,232	132,231.66	38.3%
X103 Trade Education Tools & Events								
M105 Trade Events - Tansom	10,000	12,000	22,000	11,140	13,010	24,149	2,149.46	9.8%

	FY 21-22 Budget As Approved	FY 22-23 Budget As Approved	FY2021-2023 Biennium Budget	FY 21-22 Actual	FY 22-23 Actual	FY2021-2023 Biennium Actuals	Actual - Budget	Variance
M107 Trade Organization Sponsorship	0	8,000	8,000		6,205	6,205	(1,794.58)	-22.4%
M201 Resource Studio	20,000	15,000	35,000	4,933	230	5,163	(29,836.75)	-85.2%
X100 Learn Oregon Content Maintenance & Upgrades	15,000	10,000	25,000	7,000		7,000	(8,000.00)	-72.0%
M104 OTHER		3,000	3,000			0	(3,000.00)	-100.0%
Total X103 Trade Education Tools & Events	45,000	48,000	93,000	23,073	19,446	42,518	(50,481.87)	-54.3%
Total X3000 Market Expansion	230,000	208,000	438,000	339,289	180,461	519,750	81,749.79	18.7%
4C000 Communications								
C100 Media Relations	75,000	86,000	161,000	51,328	75,544	126,871	(34,128.73)	-21.2%
C200 Media Analytics	9,000	10,115	19,115	8,615	10,177	18,792	(323.11)	-1.7%
C800 Comm.Administration								
L101 Information Sharing Task Force		1,000	1,000			0	(1,000.00)	-100.0%
C801 Subs & Pubs	1,500	1,900	3,400	4,576	631	5,208	1,807.51	53.2%
C802 Comm.Collateral & Materials	4,000	3,000	7,000	903		903	(6,097.50)	-87.1%
C804 Comm.Mtg & Travel	6,000	3,000	9,000	1,290	40	1,331	(7,669.39)	-85.2%
Total C800 Comm.Administration	11,500	8,900	20,400	6,769	671	7,441	(12,959.38)	-63.5%
C900 Comm.Employee Compensation	97,880	137,482	235,362	106,257	102,680	208,936	(26,425.53)	-11.2%
Total 4C000 Communications	193,380	242,497	435,877	172,969	189,072	362,400	(73,836.75)	-16.9%
M100 Event Marketing								
M200 Marketing Collateral								
M207 Photography			0		10,000	10,000	10,000.00	
Total M200 Marketing Collateral	0	0	0	0	10,000	10,000	10,000.00	
M800 Marketing Administration								
M801 Marketing.Committee Meetings	1,000	5,000	6,000	30		30	(5,970.00)	-99.5%
M802 Marketing.Collateral & Mts	0	25,000	25,000	25	387	412	(24,588.10)	-98.4%
M803 Marketing.Employee Development	2,000		2,000		528	528	(1,472.01)	-73.6%
M804 Marketing.Mtg & Travel	6,000	8,000	14,000	3,257	10,561	13,818	(182.45)	-1.3%
Total M800 Marketing Administration	9,000	38,000	47,000	3,312	11,475	14,787	(32,212.56)	-68.5%
M900 Marketing.Employee Compensation	171,771	285,366	457,137	168,737	272,336	441,073	(16,064.32)	-3.5%
Total 3M000 Marketing	862,151	1,019,863	1,882,014	873,679	785,625	1,659,304	(222,709.52)	-11.8%
4K000 Knowledge & Insights								
M300 Marketing Research								
M301 Marketing Research	22,500	15,000	37,500	4,150	775	4,925	(32,575.00)	-86.9%
M302 Neilson Data	7,500	7,500	15,000			0	(15,000.00)	-100.0%
Total M300 Marketing Research	30,000	22,500	52,500	4,150	775	4,925	(47,575.00)	-90.6%
R200 Industry Research								
R201 Ag Census	72,000	95,000	167,000	60,650	62,473	123,123	(43,877.50)	-26.3%
R202 Economic Impact	0	35,000	35,000		13,750	13,750	(21,250.00)	-60.7%
R203 Misc. Studies		20,000	20,000			0	(20,000.00)	-100.0%
Total R200 Industry Research	72,000	150,000	222,000	60,650	76,223	136,873	(85,127.50)	-38.3%
zK900 Knowledge & Insights Compensation	56,508	29,661	86,169	23,297	22,415	45,712	(40,456.57)	-47.0%
Total 4K000 Knowledge & Insights	158,508	202,161	360,669	88,097	99,413	187,510	(173,159.07)	-48.0%
SL000 Leadership & Partnership								
G200 Industry Contributions								
G201 Misc Industry Contributions	10,000	30,000	40,000		25,422	25,422	(14,577.83)	-36.4%
Total G200 Industry Contributions	10,000	30,000	40,000	500	25,422	25,922	(14,077.83)	-35.2%
G301 Grant Writing								
L100 Regional Meetings (including external stakeholders)	10,000		10,000	1,770		1,770	(8,230.00)	-82.3%
L101 Information Sharing Task Force	10,000	2,500	12,500	838		838	(11,661.77)	-93.3%
L103 Program Contributions	1,000		1,000			0	(1,000.00)	-100.0%
G600 Industry Relations								
G601 Subscriptions	25,000	25,000	50,000	25,294	35,111	60,405	10,405.09	20.8%
G602 Administration/Annual Report	5,000	5,000	10,000	2,541	4,109	6,650	(3,350.00)	-33.5%
G603 - Strategic Planning	3,500	100,000	103,500			0	(103,500.00)	-100.0%
G604 - Industry Website Upgrade	0	0	0			0		
Total G600 Industry Relations	33,500	130,000	163,500	27,971	39,219	67,190	(96,309.91)	-58.9%
Total L103 Program Contributions	34,500	130,000	164,500	28,471	39,219	67,690	(96,809.91)	-58.9%
L800 Leadership & Partnership Administration								
L804 Partnership.Mtg & Travel	3,000	6,000	9,000		1,662	1,662	(7,338.05)	-81.5%
Total L800 Leadership & Partnership Administration	3,000	6,000	9,000	300	1,692	1,992	(7,008.05)	-77.9%
L900 Leadership & Partnership.Employee Compensation	42,381	111,807	154,188	23,297	97,826	121,123	(33,065.28)	-21.4%
Total SL000 Leadership & Partnership	109,881	290,307	390,188	55,176	164,159	219,335	(170,852.84)	-43.8%
GG000 General & Admin								
G100 Board Administration								
G101 Meetings.Board	10,000	10,000	20,000	8,101		8,101	(11,899.04)	-59.5%
G102 Travel Expense.Board	10,000	10,000	20,000	9,867	4,688	14,554	(5,445.70)	-27.2%
G103 Board Director Comp		10,000	10,000			0	(10,000.00)	-100.0%
Total G100 Board Administration	20,000	30,000	50,000	17,968	4,688	22,655	(27,344.74)	-54.7%
G300 Consultants								
G302 Financial Review	10,000		10,000	8,500		8,500	(1,500.00)	-15.0%
Total G300 Consultants	10,000	0	10,000	8,500	0	8,500	(1,500.00)	-15.0%
G500 Office Administration								
G501 Rent	12,000	1,000	13,000	-3,894	0	-3,894	(16,894.21)	-130.0%
G502 Equipment/Furniture/Maintenance	6,000	15,000	21,000	20,564	24,271	44,835	23,835.05	113.5%
G503 Postage/Supplies/Fees	12,000	16,000	28,000	18,635	16,870	35,505	7,504.85	26.8%
G504 Telephone/Internet Fees	6,000	6,000	12,000	6,175	5,650	11,825	(174.97)	-1.5%
Total G500 Office Administration	36,000	38,000	74,000	41,480	46,790	88,271	14,270.72	19.3%

	FY 21-22 Budget As Approved	FY 22-23 Budget As Approved	FY2021-2023 Biennium Budget	FY 21-22 Actual	FY 22-23 Actual	FY2021-2023 Biennium Actuals	Actual - Budget	Variance
G800 Staff Administration								
G802 Employee Development.G&A	10,000	10,000	20,000	11,803	15,039	26,841	6,841.35	34.2%
G803 Mtg &Travel.G&A	23,000	40,000	63,000	25,484	39,115	64,598	1,598.34	2.5%
G804 Temp & Contract Support	35,000	20,000	55,000	18,070	22,729	40,799	(14,200.87)	-25.8%
G805 Legal Fees	20,000	20,000	40,000	9,767	8,716	18,484	(21,516.20)	-53.8%
Total G800 Staff Administration	88,000	90,000	178,000	65,124	85,599	150,723	(27,277.38)	-15.3%
G900 Employee Compensation.G&A	566,393	294,463	860,856	559,309	396,038	955,347	94,491.37	11.0%
G901 Employee Retirement Allocation		50,000	50,000			0	(50,000.00)	-100.0%
G999 Accrued PTO Balances	56,378	100,000	156,378			77,000	(79,378.00)	-50.8%
Total G900 General & Admin	776,771	602,463	1,379,234	692,381	610,115	1,302,496	(76,738.03)	-5.6%
8000 General & Administrative								
8200 Employee Compensation								
8210 Salaries and Wages			0	-73,388	-62,952	-136,340	(136,340.03)	
8230 Payroll tax			0	64,552	63,582	128,134	128,134.13	
Total 8200 Employee Compensation	0	0	0	-8,836	630	-8,206	(8,205.90)	
Total 8000 General & Administrative	0	0	0	-8,836	630	-8,206	(8,205.90)	
Melio Credit card fee			0	20	0	20	20.00	
Total Expenses	2,652,975	3,210,459	5,863,434	2,348,467	2,591,064	4,939,531	(923,903.00)	-15.8%
Net Operating Income	-173,355	-496,070	-669,425	253,450	44,849	298,299	967,724.49	-144.6%
Net Income	-173,355	-496,070	-669,425	253,450	44,849	298,299	967,724.49	-144.6%

Discussion of Procedure Exception and Management Response

Bank Reconciliations Control B (pages 2-3 of Moss Adams report) was found to be an exception, “Regarding Control B, Moss Adams noted that the bank reconciliation contained no supporting evidence of investigation or resolution of the outstanding checks over six months.”

28 transactions dating from 2/19 to 2/23 totaling \$28,893.13 were outstanding and unreconciled. Transactions included uncashed checks and duplicate payment entries. The old transactions were reconciled via a Journal Entry on 9/29/23. Moving forward, the monthly banking reconciliations will be reviewed, signed off by Finance, and posted in QuickBooks on monthly and timely basis; this was implemented with July 2023 reconciliations.

Section II: Budget Comparison

Beginning and Ending Balances

	2021-23 Actual/Reported	2023-25 Projected/Adopted
Beginning Balance	\$948,702	\$1,273,935
Net Income/Loss	\$325,233	(\$508,386)
Ending Balance	\$1,273,935	\$765,549

The Balance Sheet for 2021-23 Biennium ending June 30, 2023, and the Profit and Loss Statement for 2021-23 Budget-Actual-Variations are included in Section I. Forecasted Balance Sheet for the 2023-25 Biennium and FY21-23 & FY23-25 Budget & Variance are included in the following pages.

Pro Forma Forecasted Balance Sheet for the FY23-25 Biennium

21-25 ProForma Balance Sheet

Oregon Wine Board

Balance Sheet

	<u>PRO FORMA as of</u> <u>June 30, 2025</u>
ASSETS	
Current Assets	
Bank Accounts	
1000 Umpqua Bank Checking	156,949.00
1050 Umpqua Bank Money Market	593,600.00
Total Bank Accounts	<u>750,549.00</u>
Accounts Receivable	
1200 Accounts Receivable	170,000.00
Total Accounts Receivable	<u>170,000.00</u>
Total Other Current Assets	<u>0.00</u>
Total Current Assets	<u>920,549.00</u>
Other Assets	
1220 Reimburse Paid Expenses	0.00
1250 Prepaid Expenses	30,000.00
Total Other Assets	<u>30,000.00</u>
TOTAL ASSETS	<u>950,549.00</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	<u>100,000.00</u>
Total Credit Cards	<u>30,000.00</u>
Other Current Liabilities	
2101 Payroll Liabilities	5,000.00
2120 Accrued PTO Balance	50,000.00
Total 2101 Payroll Liabilities	<u>55,000.00</u>
Total Other Current Liabilities	<u>55,000.00</u>
Total Current Liabilities	<u>185,000.00</u>
Total Liabilities	<u>185,000.00</u>
Equity	
3000 Opening Bal Equity	13,492.81
3900 Retained Earnings	869,312.36
Net Income	-117,256.17
Total Equity	<u>765,549.00</u>
TOTAL LIABILITIES AND EQUITY	<u>950,549.00</u>

Profit & Loss Statements for FY21-23 & FY23-25 Budget & Variance

FY21-23-25 Budgets

Oregon Wine Board

Profit & Loss Statement

	FY 21-22 Budget As Approved	FY 22-23 Budget As Approved	FY21-23 Biennium Budget	FY23-24 Budget As Adopted March 2023	FY24-25 Budget As Adopted March 2024	FY23-25 Biennium Budget As Adopted	Budget Variance FY23-25 to FY21-23
Income							
4100 Grape Assessment (\$25/ton)	1,883,975	1,894,968	3,778,943	1,893,746	1,978,604	3,872,350	2.5%
4200 Wine Tax (2c/gal)	310,145	324,948	635,093	335,261	312,000	647,261	1.9%
Total 4300 Program Revenue	0	0	0	0	40,000	40,000	
4310 Symposium Revenue	150,000	353,967	503,967	350,000	342,500	692,500	37.4%
4500 Other Income							
4510 Interest Revenue	2,000	50	2,050	50	50	100	-95.1%
Total 4500 Other Income	2,000	50	2,050	50	50	100	-95.1%
4600 Grant Revenue							
4620 Specialty Crop Block	84,500	84,500	169,000		60,000	60,000	-64.5%
4632 Wine Country License Plate	49,000		49,000		20,000	20,000	-59.2%
Total 4600 Grant Revenue	133,500	84,500	218,000	0	80,000	80,000	-63.3%
4690 HB 5006 Funds							
4693 Marketing	0	55,956	55,956			0	-100.0%
Total 4690 HB 5006 Funds	0	55,956	55,956	0	0	0	-100.0%
Total Income	2,479,620	2,658,433	5,138,053	2,579,057	2,753,154	5,332,211	3.8%
Expenses							
1R000 Research.							
R100 Vit & Enological Research							
R101 Grants.	280,000	359,409	639,409	410,000	341,410	751,410	17.5%
R104 Grant Management/Administration			0		7,500	7,500	
Special Grant Award - Smoke Research	50,000	56,140	106,140				-100.0%
Total R100 Vit & Enological Research	330,000	415,549	745,549	410,000	348,910	758,910	1.8%
R800 Research. Administration							
R801 Research.Committee Meetings	2,000	4,000	6,000	4,000		4,000	-33.3%
R803 Research.Mtg & Travel	6,000	3,000	9,000	5,000		5,000	-44.4%
R804 NWCSFR Contribution	3,000	5,000	8,000	3,000	8,500	11,500	43.8%
Total R800 Research. Administration	11,000	12,000	23,000	12,000	8,500	20,500	-10.9%
R900 Research.Employee Compensation	42,381	62,448	104,829	59,007	55,000	114,007	8.8%
Total 1R000 Research.	383,381	489,997	873,378	481,007	412,410	893,417	2.3%
2E000 Industry Education.							
Total E100 Symposium	150,000	353,967	503,967	350,000	342,500	692,500	37.4%
E200 Education Projects							
E201 Misc Workshops	1,000	1,000	2,000	1,000		1,000	-50.0%
E202 DTC/ Workshop	10,000		10,000	5,000		5,000	-50.0%
E203 Profit Calculator Development	5,000	3,000	8,000	3,000	3,000	6,000	-25.0%
E205 Community Benchmark	84,500	84,500	169,000	0	0	0	-100.0%
Total E200 Education Projects	100,500	88,500	189,000	9,000	3,000	12,000	-93.7%
E800 Education.Administration							
E801 Education.Committee Meetings	1,000	2,000	3,000	2,000		2,000	-33.3%
E803 Education.Collateral & Mtis			0			0	
E803 Education.Employee Development	0	0	0			0	
E804 Education.Mtg & Travel Expense	3,000	8,000	11,000	10,000	8,000	18,000	63.6%
Total E800 Education.Administration	4,000	10,000	14,000	12,000	8,000	20,000	42.9%
E900 Education.Employee Compensation	107,783	163,201	270,984	152,355	165,000	317,355	17.1%
Total 2E000 Industry Education.	362,283	615,668	977,951	523,355	518,500	1,041,855	6.5%
3M000 Marketing.							
1B000 Brand Equity & Brand Identity							
B100 Agency Fees (brand identity creative)	10,000		10,000			0	-100.0%
B101 Consumer Website Concept/Design/Maintenance	94,000		94,000		500	500	-99.5%
B103 Regional Expression of Brand Work		3,000	3,000			0	-100.0%
B104 OWM Replacement Campaign Material (agency dev fees)	35,000		35,000			0	-100.0%
B106 Social Media Contractor		15,000	15,000	20,000	20,000	40,000	166.7%
B106 - Photography	4,000		4,000			0	-100.0%
B107 Digital Advertising			0	15,000	2,500	17,500	
Total 1B000 Brand Equity & Brand Identity	143,000	18,000	161,000	35,000	23,000	58,000	-64.0%
2T000 Tourism							
Total M101 Oregon Wine Month	75,000	125,000	200,000	150,000	50,000	200,000	0.0%
M102 Wines Fly Free	10,000	18,000	28,000	10,000	1,000	11,000	-60.7%
M108 Bounty & Vine					35,000		
M205 Wine Guide	15,000	65,000	80,000	15,000	25,000	40,000	-50.0%
T100 Touring Guide Design and Production			0			0	
T102 Content Development (includ. photog, Travel OR)	10,000	10,000	20,000	5,000	0	5,000	-75.0%
T103 Consumer Website Platform Upgrade	5,000		5,000			0	-100.0%
MXXX - Ad/Search Spend		10,000	10,000			0	-100.0%
Total 2T000 Tourism	115,000	228,000	343,000	180,000	111,000	291,000	-15.2%
3X000 Market Expansion							
I000 International Marketing							

	FY 21-22 Budget As Approved	FY 22-23 Budget As Approved	FY21-23 Biennium Budget	FY23-24 Budget As Adopted March 2023	FY24-25 Budget As Adopted March 2024	FY23-25 Biennium Budget As Adopted	Budget Variance FY23-25 to FY21-23
I101 Northwest Wine Coalition	65,000	65,000	130,000	65,000	75,000	140,000	7.7%
I102 Non-Reimbursable Event Cost	30,000	15,000	45,000	15,000	7,500	22,500	-50.0%
Total I103 Reimbursed Expenses	0	0	0	0	0	0	
I900 Logistics & Admin Consultants	90,000	80,000	170,000	80,000	90,000	170,000	0.0%
Total I000 International Marketing	185,000	160,000	345,000	160,000	172,500	332,500	-3.6%
X101 Resource Studio + Website Platform Upgrade				0	0		
X103 Trade Education Tools & Events							
M104 Other Programs							
M105 Trade Events - Texsom	10,000	12,000	22,000	12,000	14,000	26,000	18.2%
M106 Marketing Events SCBG				10,000	112,500		
M107 Trade Organization Sponsorship	0	8,000	8,000	10,000		10,000	25.0%
M109 Domestic Trade Tasting/Education							
M201 Resource Studio	20,000	15,000	35,000	15,000	7,000	22,000	-37.1%
X100 Learn Oregon Content Maintenance & Upgrades	15,000	10,000	25,000			0	-100.0%
M104 OTHER		3,000	3,000			0	-100.0%
Total X103 Trade Education Tools & Events	45,000	48,000	93,000	47,000	133,500	180,500	94.1%
Total 3X000 Market Expansion	230,000	208,000	438,000	207,000	306,000	513,000	17.1%
4C000 Communications							
Total C100 Media Relations	75,000	86,000	161,000	75,000	44,000	119,000	-26.1%
C200 Media Analytics	9,000	10,115	19,115	10,115	12,000	22,115	15.7%
C800 Comm.Administration							
L101 Information Sharing Task Force		1,000	1,000			0	-100.0%
C801 Subs & Pubs	1,500	1,900	3,400	1,900	1,000	2,900	-14.7%
C802 Comm.Collateral & Materials	4,000	3,000	7,000	3,000	500	3,500	-50.0%
C804 Comm.Mtg & Travel	6,000	3,000	9,000	3,000	2,000	5,000	-44.4%
Total C800 Comm.Administration	11,500	8,900	20,400	7,900	3,500	11,400	-44.1%
C900 Comm.Employee Compensation	97,880	137,482	235,362	140,393	150,000	290,393	23.4%
Total 4C000 Communications	193,380	242,497	435,677	233,408	209,500	442,908	1.8%
M800 Marketing.Administration							
M801 Marketing.Committee Meetings	1,000	5,000	6,000	5,000		5,000	-16.7%
M802 Marketing.Collateral & Mtls	0	25,000	25,000	15,000	500	15,500	-38.0%
M803 Marketing.Employee Development	2,000		2,000			0	-100.0%
M804 Marketing.Mtg & Travel	6,000	8,000	14,000	8,000	7,000	15,000	7.1%
Total M800 Marketing.Administration	9,000	38,000	47,000	28,000	7,500	35,500	-24.5%
M900 Marketing.Employee Compensation	171,771	285,366	457,137	250,565	300,000	550,565	20.4%
Total 3M000 Marketing.	862,151	1,019,863	1,882,014	933,973	957,000	1,890,973	0.5%
4K000 Knowledge & Insights.							
M300 Marketing Research							
M301 Marketing Research	22,500	15,000	37,500	20,000		20,000	-46.7%
M302 Nielsen Data	7,500	7,500	15,000	7,500		7,500	-50.0%
M304 Wine Market Council			0		5,000	5,000	
M305 Community Benchmark			0		23,500	23,500	
Total M300 Marketing Research	30,000	22,500	52,500	27,500	28,500	56,000	6.7%
R200 Industry Research							
R201 Ag Census	72,000	95,000	167,000	77,265	130,000	207,265	24.1%
R202 Economic Impact	0	35,000	35,000	30,000		30,000	-14.3%
R203 Misc. Studies		20,000	20,000	20,000	5,000	25,000	25.0%
Total R200 Industry Research	72,000	150,000	222,000	127,265	135,000	262,265	18.1%
zK900 Knowledge & Insights Compensation	56,508	29,661	86,169	36,038	35,000	71,038	-17.6%
Total 4K000 Knowledge & Insights.	158,508	202,161	360,669	190,803	198,500	389,303	7.9%
SL000 Leadership & Partnership							
G200 Industry Contributions			0			0	
G201 Misc Industry Contributions	10,000	30,000	40,000	15,000	10,000	25,000	-37.5%
Total G200 Industry Contributions	10,000	30,000	40,000	15,000	10,000	25,000	-37.5%
G301 Grant Writing	10,000		10,000			0	-100.0%
L100 Regional Meetings (including external stakeholders)	10,000	2,500	12,500	2,500		2,500	-80.0%
L101 Information Sharing Task Force	1,000		1,000			0	-100.0%
L103 Program Contributions			0			0	
G600 Industry Relations			0			0	
G601 Subscriptions	25,000	25,000	50,000	25,000	50,000	75,000	50.0%
G602 Administration/Annual Report	5,000	5,000	10,000	5,000	4,000	9,000	-10.0%
G603 Strategic Planning	3,500	100,000	103,500	50,000	30,000	80,000	-22.7%
G604 Industry Website Platform Upgrade	0	0	0			0	
G605 DEI Leadership-Infrastructure					2,000		
Total G600 Industry Relations	33,500	130,000	163,500	80,000	86,000	166,000	1.5%
Total L103 Program Contributions	34,500	130,000	164,500	80,000	86,000	166,000	0.9%
L800 Leadership & Partnership Administration			0			0	
L804 Partnership.Mtg & Travel	3,000	6,000	9,000	6,000	2,000	8,000	-11.1%
Total L800 Leadership & Partnership Administration	3,000	6,000	9,000	6,000	2,000	8,000	-11.1%

	FY 21-22 Budget As Approved	FY 22-23 Budget As Approved	FY21-23 Biennium Budget	FY23-24 Budget As Adopted March 2023	FY24-25 Budget As Adopted March 2024	FY23-25 Biennium Budget As Adopted	Budget Variance FY23-25 to FY21-23
L900 Leadership & Partnership,Employee Compensation	42,381	111,807	154,188	102,073	95,000	197,073	27.8%
Total 5L000 Leadership & Partnership	109,881	280,307	390,188	205,573	193,000	398,573	2.1%
6G000 General & Admin							
G100 Board Administration							
G101 Meetings,Board	10,000	10,000	20,000	5,000	8,000	13,000	-35.0%
G102 Travel Expense,Board	10,000	10,000	20,000	5,000	5,000	10,000	-50.0%
G103 Board Director Compensation		10,000	10,000	10,000	10,000	20,000	100.0%
Total G100 Board Administration	20,000	30,000	50,000	20,000	23,000	43,000	-14.0%
G300 Consultants							
G302 Financial Review	10,000		10,000	10,000		10,000	0.0%
Total G300 Consultants	10,000	0	10,000	10,000	0	10,000	0.0%
G500 Office Administration							
G501 Rent	12,000	1,000	13,000	35,000	24,000	59,000	353.8%
G502 Equipment/Furniture/Maintenance	6,000	15,000	21,000	25,000	20,000	45,000	114.3%
G503 Postage/Supplies/Fees	12,000	16,000	28,000	16,000	16,000	32,000	14.3%
G504 Telephone/Internet Fees	6,000	6,000	12,000	6,000	6,000	12,000	0.0%
Total G500 Office Administration	36,000	38,000	74,000	82,000	66,000	148,000	100.0%
G800 Staff Administration							
G802 Employee Development,G&A	10,000	10,000	20,000	10,000	8,000	18,000	-10.0%
G803 Mtg & Travel,G&A	23,000	40,000	63,000	38,000	15,000	53,000	-15.9%
G804 Temp & Contract Support	35,000	20,000	55,000	20,000	20,000	40,000	-27.3%
G805 Legal Fees	20,000	20,000	40,000	10,000	9,000	19,000	-52.5%
Total G800 Staff Administration	88,000	90,000	178,000	78,000	52,000	130,000	-27.0%
G900 Employee Compensation,G&A	566,393	294,463	860,856	385,476	400,000	785,476	-8.8%
G901 Employee Retirement Allocation		50,000	50,000	30,000	0	30,000	-40.0%
G999 Accrued PTO Balances	56,378	100,000	156,378	30,000	50,000	80,000	-48.8%
Total 6G000 General & Admin	776,771	602,463	1,379,234	635,476	591,000	1,226,476	-11.1%
Total Expenses	2,652,975	3,210,459	5,863,434	2,970,187	2,870,410	5,840,597	-0.4%
Net Operating Income	-173,355	-552,026	-725,381	-391,130	-117,256	-508,386	-29.9%
Net Income	-173,355	-552,026	-725,381	-391,130	-117,256	-508,386	-29.9%

2021-23 Biennium Budget to Actual Discussion of Major Variances

Total revenue did not have a major variance from actuals to approved budget. Symposium Revenue was 26.6% below approved budget. Unusual events following the pandemic resulted in the lower than budgeted revenue; 2022 was conducted as a virtual event and 2023 had a lower than anticipated turnout at this return to in-person event.

Research actuals were 17.7% below budget. This lower spend resulted from less travel due to increased virtual meetings, unused grant funds returned to OWB for an unfinished project, and \$50,000 was reallocated by Board of Directors to FY23-24 for Vine Mealy Bug Delimitation.

Industry Education actuals were 12% below budget. The main contributing factor was Oregon Wine Symposiums; 2022 was conducted as a virtual event and 2023 had a lower than anticipated turnout at this return to in-person event. The low attendance in 2023 resulted in actual catering costs below the forecasted budget.

Marketing and Communications actuals were 11.8% below budget. Spend on several planned events fell below budget allocation. Line items with the largest impact were the Wine Guide and Oregon Wine Month. The Wine Guide came in under budget allowance for this biannual update. Oregon Wine Month was under budget as funds allocated to a specific retail trade event did not materialize.

Knowledge and Insights actuals were 48% below budget. Spend on industry research was lower than planned for the Ag Census, only 50% of the Economic Impact study was billed in the biennium, and additional budgeted studies did not move forward.

Leadership and Partnership were 43.8% below budget due mainly to the Board of Directors decision to delay the strategic planning cycle until the 2023-25 biennium. This timeline allows the incoming Executive Director to participate in the process.

General & Admin was 5.6% below budget. Board Administration was lower than budget due to fewer in person meetings and lower than anticipated board compensation. Office Administration was above budget driven mainly by increased DAS fees. Employee compensation was above budget in General & Admin, however the total employee compensation from all areas did not have a significant variance from budget. This is attributed to changes allocation of employee time/compensation across the various areas during the biennium.

Discussion of Revenue Sources

The OWB's main revenue is generated through taxes reported to and paid directly to the Oregon Liquor and Cannabis Commission (OLCC) by the industry.

Grape Assessment or Oregon Wine Board Tax

- \$25/ton tax on grapes harvested in Oregon and used to produce wine
- \$25/ton tax on grapes imported into the state and used to produce wine
- \$25/ton tax on wine produced from juice or concentrate
- \$12.50/ton tax on wine grapes sold to businesses outside of the state
- \$0.021/gallon tax on wine made from all other agricultural products other than grapes used to make wine or cider over 8.5% alcohol.

Grape Assessment tax rates have been at the current rate since establishment in 1983. Increases in tax revenue are a result of increased production.

Privilege Tax:

- \$0.02/gallon tax on wine sold within the state of Oregon (the first 40,000 gallons are exempt for wineries producing less than 100,000 gallons annually)

OWB generates revenue from the Oregon Wine Symposium (OWS) via ticket sales and sponsorships. The OWS is a program designed to deliver pertinent industry education seminars in viticulture, enology, and marketing. Revenue generated by this event is forecasted to offset all event expenses and not for profit.

The OWB received grant funding through the ODA Specialty Crop Block program and Travel Oregon's Wine Country License Plate program to execute specific programs.

The final amount of HB 5006 revenue for Oregon General Fund Market Access & Research Investment Strategy was recognized in the 2021-23 biennium.

FY21-23 & FY23-25 Biennium Budget Discussion of Variance

Total Revenue budget for FY23-25 is up 3.8% over the previous period due to increased Symposium revenue forecast as the event returns to pre-pandemic attendance. Grant revenue is forecasted lower than the previous biennium but is subject to change based on actual awards.

No significant variances are noted in the budget totals for Research, Education, Marketing, Knowledge & Insights, and Leadership & Partnership, and General & Admin compared with total expenses in FY21-23. Specific line items may currently have large variances in FY23-25 budget over FY21-23, however adjustments in FY24-25 budget will be made on final revenue forecasts and programming decisions/budgets at the August 2024 Board Meeting.

Section III: Rule Making Activities

Rules Adopted

The Oregon Wine Board did not make any rule-making changes in the 2021-23 biennium.

Budget Public Hearing Process

OWB develops the biennium budget on two annual budget cycles aligning with our operations. Multiple public opportunities are provided for information gathering and feedback from industry and board members on budget priorities and programs. The process is open to continual feedback and process improvement.

The [Annual Business Plan Toolkit](#) on our industry website provides details including timeline, dates, budgets, industry input form, and recordings of public presentations/forums. Notification is provided to the industry via the Grapevine industry newsletter with all copies available on the website, [Grapevine Newsletters](#), email invitations are sent to Grapevine industry email list for public presentations. Updates are also provided to the recently formed Industry Partnership Committee.

The 2023-25 budgeting process and timeline is outlined below. Refer to the [Annual Business Plan Toolkit](#) for specific dates, budgets and recordings.

January 2023	<ul style="list-style-type: none">• Public Posting of FY23-24 Short Form Draft Budget• Public Presentation of Shortform FY23-24 Draft Budget, Input and Q&A
February 2023	<ul style="list-style-type: none">• Public Posting of FY23-24 Detailed Draft Budget• Public Presentation of Shortform FY23-24 Detailed Draft Budget, Input and Q&A
March 2023	<ul style="list-style-type: none">• FY23-24 Budget Review, Discussion and Approval at Public Board Meeting
August 2023	<ul style="list-style-type: none">• FY23-24 Proposed Budget Adjustments, Discussion and Approval at Public Board Meeting
October 2023	<ul style="list-style-type: none">• FY24-25 Budget Planning Process Timeline and Request for Input Announced at Industry Partnership Committee
December 2023	<ul style="list-style-type: none">• Public Presentation to Industry of Budget Planning Process Timeline and Request for Input
January 2024	<ul style="list-style-type: none">• Public Posting of FY24-25 Short Form Draft Budget• Public Presentation of Shortform FY24-25 Draft Budget, Input and Q&A
February 2024	<ul style="list-style-type: none">• Public Posting of FY24-25 Detailed Draft Budget• Public Presentation of Shortform FY24-25 Detailed Draft Budget, Input and Q&A

March 2024	<ul style="list-style-type: none"> FY24-25 Budget Review, Discussion and Approval at Public Board Meeting
June 2024	<ul style="list-style-type: none"> Public Posting of FY24-25 Suggested Budget Adjustments Presentation and Discussion of FY24-25 Suggested Budget Adjustments at Industry Partnership Committee
July 2024	<ul style="list-style-type: none"> Public Posting of FY24-25 Proposed Budget Adjustments Public Presentation of FY24-25 Proposed Budget Adjustments
August 2024	<ul style="list-style-type: none"> FY24-25 Proposed Budget Adjustments, Discussion and Approval at Public Board Meeting

Section IV: Consumer Protection

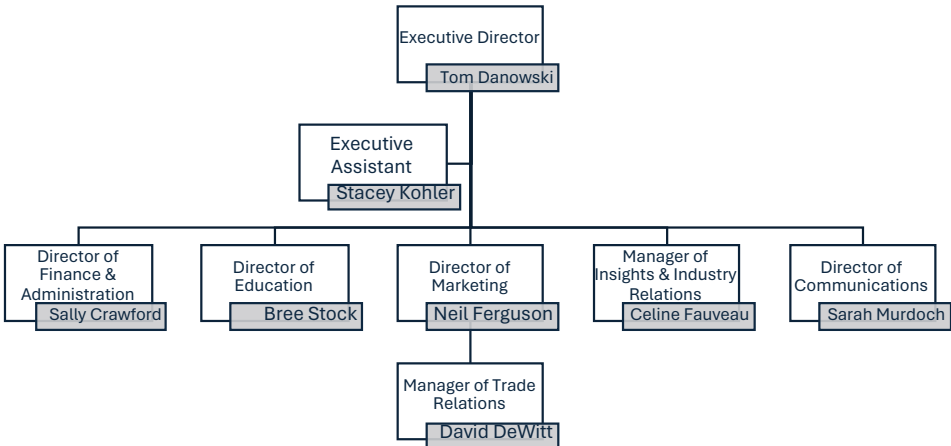
OWB is a non-licensing agency. Copies of our published Annual Reports for 2021-22 and 2022-23 provide performance insights to industry stakeholders; the reports are submitted as separate documents with this report. Reports are published and posted on our website, [OWB Annual Reports](#), and submitted to the Legislative Fiscal Office in September of each year.

Section V: Licensing Activities and Disciplinary Actions

This is not applicable to the Oregon Wine Board.

Section VI: Other Board Activities

Organizational Chart as of June 30, 2023



Current OWB management team is available at our industry website, [OWB Management Team](#).

Operations Table

Biennium	Positions	FTE	Board Meetings	Board Stipend	Director Salary \$/per Month
2013-2015	7	7.00	13		\$13,150
2015-2017	9	9.00	10		\$14,000
2017-2019	9	9.00	10		\$15,500
2019-2021	8	8.00	26		\$19,700
2021-2023	8	8.00	16	\$155/day	\$19,700
2023-2025 (Proposed)	8	8.00	14	\$166/day	\$18,500

Oregon Wine Board had 8 FTE during the 2021-23 Biennium. This is the same level as planned and budgeted, and expected to remain at 8 FTE in the 2023-25 biennium.

Key Performance Measures

[Attached Annual Reports for 2021-22 and 2022-23](#) detail programing supporting Oregon Wine Board’s three Strategic Priorities:

1. Enhance the Reputation of Oregon Wine - Define, protect, and promote the reputation of Oregon Wine globally.
 - o Establish a well-defined Oregon Wine brand with focused messages, attributes, and brand guidelines
 - o Promote statewide alignment to amplify and ensure consistency of brand message to external audiences
 - o Increase global awareness of the quality and breadth of the Oregon wine category
 - o Fuel research that sustains and advances wine and grape quality

2. Deliver Knowledge & Insights - Advance collective intelligence in support of growing, making and selling quality wines.
 - o Commission and curate technical, business, and market research to advance industry practices
 - o Be the experts on the Oregon wine industry in support of telling its stories and communicating its impact
 - o Make data and insights easily accessible to industry members at all times
 - o Leverage funding and maximize knowledge-sharing through partnerships in research and education

3. Provide Leadership & Partnership – Harness statewide strength to unite and empower the Oregon wine industry
 - o Prioritize activities that will have greatest impact on the advancement of the statewide industry
 - o Establish development opportunities for regional associations appropriate to their life stage needs and in service to the advancement of Brand Oregon
 - o Institutionalize venues for cooperation and input-gathering among regions and other industry groups