

Narrative for FY24-25 Proposed August Budget Adjustments v2024.07.29

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GENERAL COMMENTS

Budget line items are best estimates for FY24-25.

The budget is a living document; the BOD will review the budget at least quarterly to allow for timely response to industry programming.

OWB supports International and Exports programming via Northwest Wine Coalition with \$150K. This investment provides \$1.5M in grant spending during FY24-25.

APPROACH TO PROPOSED AUGUST BUDGET ADJUSTMENTS

- Budget adjustments developed based on FY23-24 year-end financials.
- FY23-24 Revenue finished ~\$500K ahead of budget driven by 2023 grape assessment.
- FY23-24 Expenses closed under budget by ~ \$400K. Main contributing factors are lower than budgeted R&D Grants and Symposium expenses, Communications Director role and Strategic Planning pushed to into FY24-25.
- FY24-25 Budget will run a deficit budget of ~\$840K to spend down surplus funds.

REVENUE ASSUMPTIONS

- Grape Assessment Tax Revenue uses 3-year average based on actuals FY21-22, FY22-23, and FY23-24.
- Wine Tax Revenue uses the average of FY22-23 and FY23-24 vs a 3-year average. This is a conservative approach due to the decline in the last 3 years.
- Symposium Revenue is 2.5% increase over FY23-24 actual.
 - Symposium Revenue offset by Symposium Expenses for \$0 gain.
- Grant Revenue
 - WCLP \$50K grant; requires a matching expenditure of OWB funds half of which can be in-kind.

EXPENSE ASSUMPTIONS AND UPDATES FROM BUDGET PASSED IN MARCH

- FY24-25 expenses exceed revenue ~\$840K to spend down surplus from FY23-24. This adds in ~\$760K additional spending over approved March budget.
- Research budget increased 16.5% to support grant funding and IVES membership as approved at May board meeting.
- Education budget increased 14% for spend on curriculum development for symposium and additional educational opportunities.
- Marketing budget increased 34%. OWM increased by \$110K and added Video Production at \$75K.
- Knowledge and Insights budget increased by 43% with the addition of a consumer sentiment study, quarterly marketing reports utilizing Nielsen data, and salary survey.
- Leadership & Partnership increased by 23% which includes increases in industry contributions and support for CRM start up. Budget for industry website upgrade/revamp has also been added.
- General & Admin increased 28% mainly due to re-establishment of office and set up.

INDUSTRY INPUT FOR FUTURE CONSIDERATION



- Strategy for Tourism including data gathering and plan for statewide campaign
- Consumer facing ad development and implementation
- Programming to support Oregon diverse and high quality, high value wine
- Opportunities for quality assessment consultation
- Additional OWM programming for local/DTC
- Salary survey to include data on incentive compensation
- Industry support for grant writing for WCLP Aug 22- Sept 20, 2024
- DEI programming including front of house sensitivity training

	FY 23-24 Actual	FY24-25 Budget v2024.03	FY24-25 Budget v2024.08 Proposed Draft 2024.07.29	August vs March	August vs March
Revenue					
Grape Assessment (\$25/ton)	\$2,389,828	\$1,978,604	\$2,106,000	6.4%	\$127,396
Privilege Tax (2¢/gal)	\$314,095	\$312,000	\$309,700		(\$2,300)
Program Revenue	\$5,250	\$40,000	\$0		(\$40,000)
Symposium Revenue	\$321,650	\$342,500	\$330,000		(\$12,500)
Interest Revenue	\$55	\$50	\$55		\$5
Specialty Crop Block		\$60,000			(\$60,000)
Wine Country License Plate	\$7,500	\$20,000	\$50,000	150%	\$30,000
Total Revenue	\$3,038,378	\$2,753,154	\$2,795,755	1.5%	\$42,601
Expenses					
Research	\$396,368	\$413,481	\$481,751	16.5%	\$68,270
Industry Education	\$471,127	\$518,500	\$592,000	14.2%	\$73,500
Marketing & Communications	\$905,125	\$957,000	\$1,284,700	34.2%	\$327,700
Knowledge & Insights	\$156,066	\$198,500	\$283,512	42.8%	\$85,012
Leadership & Partnership	\$146,982	\$193,000	\$237,500	23.1%	\$44,500
General & Admin	\$755,354	\$591,000	\$756,000	27.9%	\$165,000
Total Expenses	\$2,831,023	\$2,871,481	\$3,635,463	26.6%	\$763,982
Net Income	\$207,355	(\$118,327)	(\$839,708)		