

Allan Hancock College

Viticulture & Enology Foundation



Board of Directors Quarterly Meeting

December 11, 2024
2:00 PM

Allan Hancock College
Captain's Room B102



Allan Hancock College Viticulture & Enology Foundation



Board of Directors

Quarterly Meeting

Wednesday, December 11, 2024

2:00 PM – 3:00 PM

Captain's Room

AGENDA

	<u>Page</u>	<u>Est. Time</u>
1. Call to Order		2:00 PM
2. Public Comment		
<p>This section of the agenda is intended for members of the public to address the board on items involving the foundation. Public comment not pertaining to specific agenda items is welcome under public comment. <i>Please note that Board members are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda.</i> Public comment on an agenda item or another topic must be submitted in advance, no later than one hour before the start of the meeting, on December 11, 2024, via email to: evalenzuela@hancockcollege.edu. Comments will be read by district staff for the record during the meeting.</p>		
3. Action Items		2:05 PM
3.A. Approval of October 2, 2024 Meeting Minutes	3	
<p>A recommendation that the board approve the minutes from the October 2, 2024 meeting.</p>		
3.B. Acceptance of Donations	5	
<p>A recommendation that the board approve the received donations.</p>		
4. Information Items		2:10 PM
4.A. Bulk Wine Update	6	
<p>An update on the bulk wine production will be presented.</p>		

	<u>Page</u>	<u>Est. Time</u>
4.B. 2024 Final Harvest Report	7	
The 2024 final harvest report will be presented.		
4.C. Audit Report for the AHC Viticulture & Enology Foundation, FY 2024	8	
The final audit report for the AHC Viticulture & Enology Foundation, FY 2024 will be provided.		
4.D. Winery Board Inventory Report	26	
A report on year-to-date financial data ending October 31, 2024.		
4.E. Financial Report	29	
A report on year-to-date financial data ending October 31, 2024.		
5. New Business/Oral Reports		2:50 PM
6. Adjournment		3:00 PM

The next regular meeting of the board of directors will be held on March 5, 2025.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the associate superintendent/vice president of finance and administration's office at (805) 922-6966 ext. 3939 or email Espie Valenzuela at evalenzuela@hancockcollege.edu. Please make requests 48 hours prior to the meeting to make reasonable arrangements to ensure accessibility to this meeting.

Kevin G. Walthers, Ph.D.
Foundation President

ALLAN HANCOCK COMMUNITY COLLEGE
Viticulture & Enology Foundation



Kevin G. Walthers, Ph.D., Board President
Suzanne Levy, Vice President
Dennis Curran, Treasurer
Sean J. Abel, Secretary
Alfredo Koch, Ph.D., Board Member

Minutes

Board of Directors
Quarterly Meeting
Wednesday, October 2, 2024
12:30 p.m.

Allan Hancock College
Captain's Room B102
800 South College Drive, Santa Maria, CA 93454

1. Call to Order

Dr. Walthers called the meeting to order at 12:30 p.m. with the following directors present: Abel, Curran, Koch, Walthers

Absent: Levy

Staff Members Present: Kelsie Norris, Keli Seyfert

Note taker: Espie Valenzuela

2. Public Comment

No public comment was made.

3. Action Items

3.A. Approval of July 24, 2024 Meeting Minutes

On a motion by Sean Abel, seconded by Alfredo Koch, the board of directors voted to approve the minutes from the July 24, 2024 meeting. (Ayes: Abel, Curran, Koch, Walthers; Noes: None; Absent: Levy)

3.B. Acceptance of Donations

On a motion by Sean Abel, seconded by Alfredo Koch, the board of directors voted to approve the donations received. (Ayes: Abel, Curran, Koch, Walthers; Noes: None; Absent: Levy)

4. Information Items

4.A. Bulk Wine Update

K. Norris provided an update on current bulk wine amounts in the winery and the short-term plan for the wines.

4.B. Bottled Wine Sales

K. Norris said wine sales have decreased 16 percent from FY23 to FY24. Total net sales for FY23 were \$75,760 and \$61,169 in FY24.

4.C. 2024 Harvest Estimates

K. Norris presented a list of varietals and estimated cases to be harvested this year.

4.D. Winery Board Inventory Report

K. Seyfert presented the wine inventory report on year-to-date financial data ending August 31, 2024.

4.E. Financial Report

K. Seyfert presented the financial statements detailing the year-to-date financial data ending August 31, 2024.

5. New Business/Oral Reports

A.Koch said the 3rd AHC Wine Festival will be held on Saturday, June 14, 2025.

6. Adjournment

Dr. Walthers adjourned the meeting at 12:50 p.m. The next board of directors meeting is scheduled to be held on December 11, 2024, at 2:00 p.m.



To: Board of Directors	ACTION ITEM
From: Dennis Curran, Treasurer	Date: December 11, 2024
Subject: Acceptance of Donations	Item Number: 3.B.
	Enclosure(s): Page 1 of 1

BACKGROUND

The donation(s) below are in support of the Allan Hancock College Viticulture & Enology Program. All products donated will be used in the winery and agribusiness program.

Date Received	Donor	Item	Total Value Amount
10/29/24	Seguin Moreau Napa Cooperage	1 Synergie Barrel (Low Aroma Body/FO Head)	\$825.00
11/01/24	Charlois Cooperage USA	1 Bordelaise Transport En Chene Francais	\$1045.00
Grand Total			\$1870.00

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends that the board of directors accept the donation(s) received.



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: December 11, 2024
Subject: Bulk Wine Update	Item Number: 4.A.
	Enclosure(s): Page 1 of 1

BACKGROUND

Below is the breakdown of our current bulk wine in the winery and the short-term plan for the wines.

Allan Hancock College Bulk Wine				
Last updated 11/13/2024				
Vintage	Varietal	Gross Gal	Gal after Loss	Potential Cases
2023	Pinot Saignee	15	14.3	0
2023	Syrah Saignee	15	14.3	0.0
2023	Pinot Noir for Sparkling	67	63.7	26.8
2024	Pinot Noir -Bulk	177	168.2	70.7
2023	Syrah	275.5	261.7	110.1
2023	Malbec	177.0	168.2	70.7
2023	Cabernet Sauvignon	59	56.1	23.6
2023	Alicante	5	4.8	0.0
2024	Albariño	53	50.2	21.1
2024	Cabernet Sauvignon-TTT	62	59.1	24.9
2024	Cabernet Sauvignon-AHC	30	28.5	12.0
2024	Chardonnay	114	108.3	45.6
2024	Malbec -AHC	15	14.3	6.0
2024	Malbec - TTT	142	134.5	56.6
2024	Pinot Noir	491	466.5	196.2
2024	Rose of Pinot Noir	87	82.7	34.8
2024	Sparkling Wine - Pinot Noir	70	66.5	28.0
2024	Syrah	158	150.1	63.1
2024	Syrah Saignee	15	13.8	5.8
2024	Torrontés	63	59.9	25.2
2024	Touriga	45	42.8	18.0
TOTALS		2134.6	2027.9	838.9



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: December 11, 2024
Subject: 2024 Final Harvest Report	Item Number: 4.B.
	Enclosure(s): Page 1 of 1

BACKGROUND

Below are the breakdown of tonnage and gallonage received for the 2024 Harvest.

Allan Hancock College 2024 Final Harvest Report				
Last updated 11/13/2024				
Varietal	Vineyard	Tons	Gals	Potential Cases
Albariño	AHC	0.41	53	22.2
Cabernet Sauvignon	TTT	0.23	62	26.2
Cabernet Sauvignon	AHC	0.50	30	12.6
Chardonnay	AHC	1.04	114	47.9
Malbec	AHC	0.12	15	6.3
Malbec	TTT	1.11	142	59.6
Pinot Noir	AHC	2.94	491	206.5
Rose of Pinot Noir	AHC	0.62	87	36.6
Sparkling Wine - Pinot Noir	AHC	0.54	70	29.4
Syrah	AHC	0.99	158	66.5
Syrah Saignee	AHC	0.00	15	6.1
Torrontés	AHC	0.55	63	26.5
Touriga	AHC	0.26	45	18.9
TOTALS		9.31	1344.10	565.33



To: Board of Directors	INFORMATION ITEM
From: Dennis Curran, Treasurer	Date: December 11, 2024
Subject: Audit Report for the AHC Viticulture & Enology Foundation, FY 2024	Item Number: 4.C.
	Enclosure(s): Page 1 of 18

BACKGROUND

Attached is the final audit report for the AHC Viticulture & Enology Foundation, FY 2024.



See what's possible.

ALLAN HANCOCK COLLEGE VITICULTURE
AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)

AUDIT REPORT

FISCAL YEARS ENDED June 30, 2024 and 2023

ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
TABLE OF CONTENTS
June 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Allan Hancock College Viticulture and Enology Foundation
Santa Maria, California

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Allan Hancock College Viticulture and Enology Foundation (the "Foundation") (a California nonprofit organization), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Foundation's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allan Hancock College Viticulture and Enology Foundation as of June 30, 2024 and 2023, and the changes to its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent Auditors' of Allan Hancock College Viticulture and Enology Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute Auditors' assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
November 13, 2024

FINANCIAL STATEMENTS

ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 67,701	\$ 58,011
Accounts receivable	3,136	2,303
Inventory	100,711	98,820
Pledges receivable	2,427	7,281
Prepaid expenses	145	135
Total assets	\$ 174,120	\$ 166,550
LIABILITIES		
Accounts payable	\$ 8,801	\$ 2,621
Total liabilities	8,801	2,621
NET ASSETS		
Net assets without donor restrictions	164,753	163,929
Net assets with donor restrictions	566	-
Total net assets	165,319	163,929
Total liabilities and net assets	\$ 174,120	\$ 166,550

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,156	\$ 1,500	\$ 2,656
In-kind contributions	30,612	-	30,612
Winery sales, net	3,275	-	3,275
Ticket sales	8,945	-	8,945
Net assets released from restriction	934	(934)	-
Total Support and Revenue	44,922	566	45,488
EXPENSES			
Program	33,198	-	33,198
General and administrative	2,530	-	2,530
Fundraising	8,370	-	8,370
Total Expenses	44,098	-	44,098
Changes in Net Assets	824	566	1,390
Net Assets - Beginning of Year	163,929	-	163,929
Net Assets - End of Year	\$ 164,753	\$ 566	\$ 165,319

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30,**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 13,840	\$ -	\$ 13,840
In-kind contributions	24,671	-	24,671
Winery sales, net	5,448	-	5,448
Ticket sales	4,495	-	4,495
Other revenue	176	-	176
Total Support and Revenue	48,630	-	48,630
EXPENSES			
Program	38,780	45	38,825
General and administrative	819	-	819
Fundraising	3,979	-	3,979
Total Expenses	43,578	45	43,623
Changes in Net Assets	5,052	(45)	5,007
Net Assets - Beginning of Year	158,877	45	158,922
Net Assets - End of Year	\$ 163,929	\$ -	\$ 163,929

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	General and			
	Program	Administrative	Fundraising	Total
Office/operational supplies	\$ 2,576	\$ 1,306	\$ 513	\$ 4,395
Printing	-	18	-	18
Food supplies	936	-	2,670	3,606
Independent contractor (individuals)	-	-	1,041	1,041
Conference/business expense	3,650	335	2,943	6,928
Service contracts	-	-	200	200
Non-tech licenses, permits, fees	930	40	50	1,020
Technology services	19,499	-	-	19,499
Legal fees	-	738	-	738
Sales/use tax expense	632	-	-	632
Postage/express services	1,457	93	-	1,550
Advertising	-	-	930	930
Bank and merchant service fees	1,508	-	23	1,531
Gain/(loss) on disposal of assets	2,010	-	-	2,010
Total	\$ 33,198	\$ 2,530	\$ 8,370	\$ 44,098

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30,**

	General and			
	Program	Administrative	Fundraising	Total
Office/operational supplies	\$ 3,315	\$ 176	\$ 796	\$ 4,287
Printing	-	-	49	49
Food supplies	1,265	-	1,023	2,288
Conference/business expense	2,581	521	1,684	4,786
Non-tech licenses, permits, fees	394	25	50	469
Repairs	814	-	-	814
Technology services	19,740	-	-	19,740
Postage/xxpress services	1,174	97	-	1,271
Bank and merchant fees	2,226	-	377	2,603
Gain/(loss) on disposal of assets	6,737	-	-	6,737
Total	\$ 38,825	\$ 819	\$ 3,979	\$ 43,623

ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND

	2024	2023
Changes in net assets	\$ 1,390	\$ 5,007
Reconciliation to net cash provided by / (used in) operating activities:		
Effect on changes in:		
Accounts receivable	(833)	(864)
Inventory	(1,891)	15,269
Pledges receivable	4,854	(7,281)
Prepaid expenses	(10)	1,065
Accounts payable	6,180	95
Net Cash Provided by/(Used in) by Operating Activities	9,690	13,291
Net Increase/(Decrease) in Cash and Cash Equivalents	9,690	13,291
Cash and Cash Equivalents - Beginning of Year	58,011	44,720
Cash and Cash Equivalents - End of Year	\$ 67,701	\$ 58,011

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Allan Hancock College Viticulture and Enology Foundation (the "Foundation") (a California nonprofit organization) was incorporated in the State of California in 2014 as a nonprofit public benefit corporation. The Foundation was organized to support Allan Hancock Joint Community College District's (the District) and the Allan Hancock College (the College) educational and cultural programs in areas of Agribusiness, Viticulture and Enology, as well as operate certain facilities related to such programs.

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the College are financially interrelated organizations as defined by Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others. The Foundation reflects contributions received for the benefit of the College as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Net Asset Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation.

Net Assets With Donor Restrictions - Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Expenses

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. With absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions. The Foundation also receives sales revenue from wine production through the operation of the Viticulture and Enology program.

Donated Goods and Services

Donated goods primarily consist of various items used during the wine making process. Donated services comprise of legal services for general Foundation operations. The value of these donated goods and services are included in the financial statements in the amounts of \$30,612 and \$24,671 as in-kind contributions and in-kind expenses, for the years ended June 30, 2024 and , respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in a checking account. The Foundation maintains cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2024 and , the Foundation's deposits were fully insured.

Accounts Receivable

Accounts receivable consist primarily of wine sales invoiced but monies not yet received. Management has deemed all amounts collectible; therefore, no allowance for doubtful accounts is considered necessary.

Inventory

Inventory consists of wine held for sale and wine that has yet to be bottled. At June 30, 2024 and , inventory consisted of bottled wine of \$80,488 and \$81,852 respectively, and bulk wine of \$20,223 and \$16,968, respectively. Inventory is stated at the lower of cost or net realizable value. The cost is recorded as an expense as the inventory is sold.

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of operations. On June 30, 2024, the Foundation had no leases requiring recognition under ASC Topic 842.

Deferred Crop Costs

Deferred crop costs are costs that are incurred in the current year that relate to the following season's harvest. Costs consist primarily of land preparation, irrigation, and cultivation. The costs are deferred and charged to cost of goods sold when the related crop is harvested and sold. Deferred crop costs were \$0 at June 30, 2024 and 2023, respectively.

Income Taxes

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. There was no unrelated business activity income. The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken, or expected to be taken, on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain and, accordingly, no accounting adjustment has been made to the financial statements. The Foundation's Federal informational tax returns for the years ended June 30, , , and , are open to audit by the Federal authorities. California State informational returns for the years ended June 30, , , and , are open to audit by State authorities.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2024 and , were \$934 and \$0, respectively.

Allocation of Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND**

NOTE 2 – WINERY SALES REVENUE

The Foundation operates a winery as part of the Viticulture and Enology program. Income and expenses for the winery for the fiscal year were as follows:

	2024	2023
Sales	\$ 100,652	\$ 118,024
Less: Cost of Sales	(97,377)	(112,576)
Gross profit	<u>\$ 3,275</u>	<u>\$ 5,448</u>

Winery sales revenue and cost of sales are reported net of discounts, estimated returns, and sales taxes.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	\$ 67,701	\$ 58,011
Accounts receivable	3,136	2,303
Total financial assets, at year-end	<u>\$ 70,837</u>	<u>\$ 60,314</u>
Restrictions for specific purposes:		
Donor designated	\$ (566)	\$ -
Total contractual or donor-imposed restrictions	<u>(566)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 71,403</u>	<u>\$ 60,314</u>

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. District staff on behalf of the Foundation management monitor daily cash balances.

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND**

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2024 and 2023, represent amounts owed by the Foundation as follows:

	2024	2023
Vendor payables	\$ 8,208	\$ 1,604
Sales tax payables	593	1,017
Total	<u>\$ 8,801</u>	<u>\$ 2,621</u>

NOTE 5 – RESTRICTIONS ON NET ASSETS

There were no donor-restricted net assets with time and/or purpose restrictions for the year ended June 30, 2024 and 2023.

NOTE 6 – CONTRIBUTED NON-FINANCIAL ASSETS

During the fiscal year ended June 30, 2024 and 2023, the Foundation received a variety of non-financial asset donations.

Description	2024	2023	Utilization in program/activities	Donor restrictions	Valuation techniques and inputs
Professional services	\$ 325	\$ -	V&E legal review	Unrestricted	Donated services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.
Supplies	\$ 8,636	\$ 22,493	V&E program	Unrestricted	Donated items are valued and are reported at the estimated fair value in the financial statements based on current rates for similar items.
Software licenses	\$ 19,440	\$ -	V&E program	Unrestricted	Donated items are valued and are reported at the estimated fair value in the financial statements based on current rates for similar items.
Equipment	\$ 2,211	\$ 2,178	V&E program	Unrestricted	Donated items are valued and are reported at the estimated fair value in the financial statements based on current rates for similar items.
Total	<u>\$ 30,612</u>	<u>\$ 24,671</u>			

**ALLAN HANCOCK COLLEGE VITICULTURE AND ENOLOGY FOUNDATION
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND**

NOTE 7 – RELATED PARTY TRANSACTIONS

The Allan Hancock College Viticulture and Enology Foundation leases wine making facilities and the Hancock Vineyard from the Allan Hancock Joint Community College District on a yearly basis. Lease expense for the year ending June 30, 2024, amounted to a total of \$500. A number of District employees have donated their time and experience to the Foundation's program services during the year. However, these donated services are not reflected in the financial statements because the recognition criteria was not met.

In addition, at June 30, 2024 and , the Foundation owed the District \$264 and \$67, respectively, for salaries and benefits and other administrative related services.

NOTE 8 – SUBSEQUENT EVENTS

The Foundation's management has evaluated events or transactions from June 30, 2024 through November 13, 2024 which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require additional disclosure in the Foundation's financial statements.



To: Board of Directors	INFORMATION ITEM
From: Dennis Curran, Treasurer	Date: December 11, 2024
Subject: Winery Board Inventory Report	Item Number: 4.D.
	Enclosure(s): Page 1 of 3

BACKGROUND

Attached are the winery board inventory reports for the AHC Viticulture and Enology Foundation as of October 31, 2024.

**Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report - Bulk Wines
October 31, 2024**

Vintage/Varietal	FY25 Beginning Inventory Bulk Gallons	Plus: YTD Harvest Bulk Gallons	Plus/Minus: YTD Destroyed/ *Losses Bulk Gallons	Minus: YTD Bottling Bulk Gallons	FY25 Ending Inventory Bulk Gallons	FY25 Ending Inventory Cost Value	FY25 Ending Inventory Cost/Gallon	FY25 Ending Inventory Cost Value (Case Equivalent)
2022 Pinot Rose	15.00	0.00	0.00	0.00	15.00	504.85	33.66	80.10
2022 Syrah Rose	10.50	0.00	0.00	0.00	10.50	375.71	35.78	85.16
2023 Alacante Bouschet	5.00	0.00	0.00	0.00	5.00	95.61	19.12	45.51
2023 Cabernet Sauvignon	59.00	0.00	0.00	0.00	59.00	1,250.34	21.19	50.44
2023 Malbec (A)	59.00	0.00	0.00	0.00	59.00	1,251.97	21.22	50.50
2023 Malbec (B)	118.00	0.00	0.00	0.00	118.00	2,421.79	20.52	48.85
2023 Pinot Blend	59.00	0.00	0.00	0.00	59.00	1,216.68	20.62	49.08
2023 Pinot Noir (Clone 667)A	59.00	0.00	0.00	0.00	59.00	1,107.97	18.78	44.69
2023 Pinot Noir (Clone 667)B	66.00	0.00	0.00	0.00	66.00	1,547.82	23.45	55.82
2023 Pinot Noir (Clone 667)C	59.00	0.00	0.00	0.00	59.00	1,479.87	25.08	59.70
2023 Sparkling Pinot Noir (Clone 091)	67.17	0.00	0.00	0.00	67.17	1,548.92	23.06	54.88
2023 Pinot Saignee	15.00	0.00	(1.50)	0.00	13.50	360.92	26.73	63.63
2023 Syrah (A)	177.00	0.00	(22.10)	0.00	154.90	2,883.99	18.62	44.31
2023 Syrah (B)	118.00	0.00	0.00	0.00	118.00	2,505.74	21.24	50.54
2023 Syrah Saignee	15.00	0.00	(5.00)	0.00	10.00	335.76	33.58	79.91
2023 Touriga	59.00	0.00	0.00	0.00	59.00	1,334.77	22.62	53.84
2024 Albarino	0.00	59.10	(6.30)	0.00	52.80	1,195.89	22.65	53.91
2024 Cabernet Sauvignon (AHC)	0.00	34.50	0.00	0.00	34.50	698.11	20.24	48.16
2024 Chardonnay	0.00	69.00	(13.00)	0.00	56.00	1,396.21	24.93	59.34
2024 Chardonnay (B)	0.00	63.80	(5.80)	0.00	58.00	1,290.99	22.26	52.98
2024 Malbec (AHC)	0.00	18.00	(4.00)	0.00	14.00	364.23	26.02	61.92
2024 Pinot Noir (Clone #91)	0.00	45.00	14.00	0.00	59.00	910.57	15.43	36.73
2024 Pinot Noir (Clone #667)	0.00	230.00	6.00	0.00	236.00	4,654.04	19.72	46.93
2024 Pinot Noir (Clone #777)	0.00	166.50	10.50	0.00	177.00	3,369.12	19.03	45.30
2024 Pinot Rose (Clone #91)	0.00	87.90	(4.70)	0.00	83.20	1,778.65	21.38	50.88
2024 Pinot Sparkling (Clone #91)	0.00	80.40	(15.40)	0.00	65.00	1,626.89	25.03	59.57
2024 Syrah	0.00	130.00	0.00	0.00	130.00	2,630.54	20.23	48.16
2024 Syrah Rose	0.00	18.00	0.00	0.00	18.00	364.23	20.24	48.16
2024 Touriga	0.00	39.00	0.00	0.00	39.00	789.18	20.24	48.16
2024 Torrontes	0.00	63.00	0.00	0.00	63.00	1,274.80	20.23	48.16
Total number of Gallons	960.67	1,104.20	(47.30)	0.00	2017.57	42,566.19	21.10	50.21
Cost Value Totals						\$ -	\$ -	\$ -

Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report - Bottled Wines
October 31, 2024

Vintage/Varietal	FY25 Beginning Inventory (Bottles)	Minus: YTD Sales	Minus: YTD Donations	Minus: YTD Winery Use	Plus/Minus: YTD Adjustments	Plus: YTD Bottling	FY25 Ending Inventory (Bottles)	Cost per Bottle	FY25 Ending Inventory Cost Value	Retail Cost per Bottle	FY25 Ending Retail Cost Value
2017 Sparkling Wine (2nd Bottling)	5	-2	0	-3	0	0	0	7.95	0.00	20.00	-
2018 Bordeaux (Blend)	126	-125	0	-1	0	0	0	8.04	0.00	12.00	-
2019 Sparkling Wine	37	-36	0	-1	0	0	0	8.60	0.00	20.00	-
2020 Syrah	179	-50	-8	-9	0	0	112	12.65	1,417.01	20.00	2,240.00
2021 Cabernet Sauvignon	523	-222	0	-7	0	0	294	7.94	2,334.76	18.00	5,292.00
2021 Chardonnay Sparkling Cuvee	266	-125	0	-7	0	0	134	7.99	1,070.12	20.00	2,680.00
2021 Red Blend	249	-109	-1	-6	0	0	133	9.38	1,246.92	12.00	1,596.00
2021 Syrah	281	-64	0	0	0	0	217	6.83	1,481.58	20.00	4,340.00
2021 Torrontes	190	-27	-3	-6	0	0	154	7.87	1,211.86	15.00	2,310.00
2022 Albarino	232	-73	-5	-9	0	0	145	8.70	1,261.97	15.00	2,175.00
2022 Chardonnay-Stainless Steel	93	-11	-6	-6	0	0	70	7.26	508.38	15.00	1,050.00
2022 Malbec	400	-156	-2	-14	0	0	228	9.47	2,158.65	20.00	2,158.65
2022 Pinot Noir	444	-427	-5	-12	0	0	0	8.78	0.00	20.00	-
2022 Pinot Rose	108	-94	-2	-12	0	0	0	8.16	0.00	15.00	-
2022 Red Blend	657	-204	0	-1	0	0	452	9.38	4,238.74	15.00	6,780.00
2022 Sauvignon Blanc	195	-11	-6	-5	0	0	173	9.21	1,593.81	15.00	2,595.00
2022 Syrah	562	-49	0	0	0	0	513	8.95	4,591.05	20.00	4,591.05
2022 Torrontes Riojano	160	0	0	0	0	0	160	8.93	1,429.28	15.00	2,400.00
2023 Albarino	467	0	0	-2	0	0	465	7.04	3,273.98	15.00	6,975.00
2023 Chardonnay	1,470	-423	0	-10	0	0	1,037	7.61	7,891.45	15.00	15,555.00
2023 Pinot Noir Blend	2,495	-123	-4	-10	0	0	2,358	6.52	15,377.66	20.00	47,160.00
2023 Pinot Noir (Clone 91)	274	-97	0	-9	0	0	168	7.24	1,215.62	20.00	3,360.00
2023 Pinot Noir (Clone 777)	262	-29	0	-4	0	0	229	7.28	1,666.65	20.00	4,580.00
2023 Pinot Rose	384	-60	0	-9	0	0	315	7.00	2,204.29	15.00	4,725.00
2023 Torrontes (.375 L)	132	0	0	-5	0	0	127	6.97	885.18	15.00	1,905.00
2023 Zinfandel	132	-89	0	-6	0	0	37	6.88	254.63	18.00	666.00
Total Number of Bottles	10,323	-2,606	-42	-154	0	0	7,521		0.00		-
Cost Value Totals	\$ 80,488.16	\$ (21,521.72)	\$ (381.80)	\$ (1,271.22)	\$ -	\$ -	\$ 57,313.45		\$ 57,313.45		\$ 125,133.70
									Unallocated Bottling Costs	\$ 87.21	
									Total Cost Value of Bottled Wine	\$ 57,400.66	



To: Board of Directors	INFORMATION ITEM
From: Dennis Curran, Treasurer	Date: December 11, 2024
Subject: Financial Report	Item Number: 4.E.
	Enclosure(s): Page 1 of 3

BACKGROUND

Attached are the income statement and balance sheets for the AHC Viticulture and Enology Foundation as of October 31, 2024.

AHC Viticulture & Enology Foundation
Statement of Financial Position
For The Period Ending 10/31/2024

Assets

Claim on Cash	67,303
Cash on Hand	100
Accounts Receivable	5,701
Pledge Receivable - Current	2,500
Discount on Pledge Receivable	(98)
Due From Other Funds	630
Inventory-Bulk Wine	42,566
Inventory-Bottled Wine	57,401
Total Assets:	<u>176,103</u>

Liabilities

Sales Tax Payable	262
CA CRV Fee Payable	117
Beverage Mfg Processing Fee Payable	5
Total Liabilities:	<u>383</u>

Fund Balance

Fund Balance, July 1	165,319
Current Income (Loss)	10,401
Total Fund Balance:	<u>175,720</u>
Total Liabilities and Fund Balance:	<u>176,103</u>

AHC Viticulture & Enology Foundation
Statement of Operations
For The Period Ending 10/31/2024

Revenue

Contributions, Gifts, Grants & Endwmnts	1,741
Non Cash Contribution	8,506
Net Revenue	10,247

Wine Operations

Shipping Fee Revenue	265
Sales and Commission	57,412
Sales Discounts	(21,094)
Net Sales	36,582
Cost of Goods Sold	(23,175)
Gross Profit (Loss)	13,408
Gross Profit Margin	36.7%

Total Revenues 23,654

Expenditures

Office/Operational Supplies	2,038
In Kind Supply Expense	1,021
Inventory Allocation Expense	(22,431)
Non Instr Printing	21
Food - Business Meetings/Events	218
Service Contracts (Businesses)	18,599
Travel - All Travel Costs	1,420
Non-Tech Licenses, Permits, Fees	163
In Kind-Software/Technlgy Licenses	6,660
Insurance	181
Repairs (Labor-Diagnostic)	2,677
Excise Tax	12
Sales Tax Expense	60
Postage/Express Services	338
Advertising/Sponsorships	162
Merchant Fees	462
Cash Over and Short	1
Equipment	825
Equipment-In Kind	825
Total Expenditures	13,254
Net Income (Loss)	10,401

Fund Balance

Fund Balance, July 1	165,319
Current Balance	<u><u>\$175,720</u></u>