

Allan Hancock College

Viticulture & Enology Foundation



Board of Directors Meeting

December 9, 2020
3:30 PM

This meeting will be conducted via zoom:
<https://cccconfer.zoom.us/j/96318536899>



Allan Hancock College Viticulture & Enology Foundation



Board of Directors

Quarterly Meeting

Wednesday, December 9, 2020

3:30 p.m. to 4:30 p.m.

Zoom Meeting: <https://cccconfer.zoom.us/j/96318536899>

In response to the Coronavirus crisis, the Governor has issued [Executive Order N-25-20](#), [Executive Order N-29-20](#), and [Executive Order N-35-20](#) modifying the Brown Act in order to facilitate essential public meetings being held through remote methods, such as telephonically or electronically.

AGENDA

	<u>Page</u>	<u>Est. Time</u>
1. Call to Order		3:30 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 9, 2020, via email to: evalenzuela@hancockcollege.edu. Comments will be read by district staff for the record during the meeting.</p>		
3. Action Items		3:30 PM
3.A. Approval of September 16, 2020 Meeting Minutes	3	
<p>A recommendation that the board approve the minutes from the September 16, 2020 meeting.</p>		
3.B. Acceptance of Donations	5	
<p>A recommendation that the board approve the received donations.</p>		
4. Information Items		3:45 PM
4.A. Planting Suggestions	6	
<p>Recommended changes for planting varieties at the Santa Maria Campus Vineyard will be provided.</p>		
4.B. Active8 Update	7	
<p>An update on implementation of Active8 for sales will be provided.</p>		

	<u>Page</u>	<u>Est. Time</u>
4.C. Estimated Wine Production and Sales	8	
The board will be updated on the short-term wine production plans.		
4.D. Estimated Cost Reduction Plan	10	
Strategies for cost reductions will be presented.		
4.E. Winery Board Inventory Report	11	
A report on year-to-date financial data ending October 31, 2020.		
4.F. Financial Report	15	
A report on year-to-date financial data ending October 31, 2020.		
5. New Business/Oral Reports		4:20 PM
6. Adjournment		4:30 PM

The next regular meeting of the board of directors will be held on March 10, 2021.

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. Please make requests 48 hours prior to the meeting in order 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
 Larry Lahr, Vice President
 Eric D. Smith, Treasurer
 Sean J. Abel, Secretary
 Alfredo Koch, Ph.D., Board Member

Minutes

Board of Directors

Annual Meeting

Wednesday, September 16, 2020

3:30 p.m.

Teleconference: <https://cccconfer.zoom.us/j/96318536899>

Allan Hancock College
 Captain's Room 102, Building B
 800 South College Drive, Santa Maria, CA 93454

1. Call to Order

Dr. Kevin G. Walthers called the meeting to order at 3:30 p.m. with the following directors present: Sean J. Abel, Alfredo Koch, Larry Lahr, and Eric D. Smith.

Absent: None

Guests present: Keli Seyfert

Note taker: Espie Valenzuela

2. Public Comment

No public comments were received.

3. Action Items

3.A. Approval of June 17, 2020 Meeting Minutes

On a motion by Sean J. Abel seconded by Alfredo Koch, the board approved the minutes from the June 17, 2020 board meeting.

(Ayes: Abel, Koch, Lahr, Smith, Walthers; Noes: None; Abstentions: None; Absent: None)

3.B. Acceptance of Donations

The board received donations from Charlois Cooperage USA, Nutrien Ag Solutions, Inc., and Vineyard Industry Products valued at \$2437.79 in support of the viticulture program.

On a motion by Alfredo Koch seconded by Sean J. Abel, the board approved the donations received.

(Ayes: Abel, Koch, Lahr, Smith, Walthers; Noes: None; Abstentions: None; Absent: None)

4. Information Items

4.A. Winery Online Sales Software Change

Kelsie Norris indicated that Activ8 software includes POS management, club management, ecommerce, marketing, shipping, tracking, inventory and data management. Activ8 would combine eCommerce, POS and Wine Club all into one system, making it easier to track sales and inventory. Kelsie added they will activate the software for the programs use, as this is a better

choice for day to day management and tracking inventory. They will also continue to use Vino Shipper for out of state shipments.

4.B. Possibilities for New Plantings at Campus Vineyard

Alfredo Koch noted they have removed the picnic area in the north block area of the vineyard to plant more vines. This was a joint decision with management and students. There is an additional picnic area in the south block for use. There is no urgency as this is a small number of vines. Space is available and irrigation has been prepared. Alfredo provided a brief PowerPoint presentation to include information regarding wine inventory and sales, and new plantings at the Santa Maria Campus vineyard. Maps were shared for the north and south block of proposed new plantings.

4.C. Estimated Wine Production

This year's production has scaled down to 50 percent. Alfredo Koch shared a list of 2019 wine to be bottle in 2020, 2020 wine to be produce and bottle before June 30, 2021, and 2020 wine to be produced and bottle after June 30, 2021. In summary, 300 cases have been produced this year.

4.D. Estimated Investments and Cost Reduction Plan

Two donations were received from Fred Brander, first donation was used to purchase a leafer. The second donation of approximately \$16K must be used before the end of the year. Alfredo Koch provided an equipment list for the program. Dr. Walthers replied items purchased for "student use" in the program would be appreciated by the Branders. Dr. Walthers added there may be funds from Strong Work Force possibly to purchase items the program needs, such as a forklift, elevator, wine pump, fermentation tank, batteries, etc. These are items to support our students in the academic program.

4.E. Winery Board Inventory Report

Keli Seyfert presented the wine inventory report as of June 30, 2020.

4.F. Financial Report

Keli Seyfert discussed the financial statements detailing the year-to-date financial data ending June 30, 2020.

5. New Business/Oral Reports

Kelsie Norris indicated sales in April was low. Sales in May increased and staying steady. Community interested in the \$75 case special. Spencer's displayed AHC's wine as the "feature wine" last month. Kelsie sold AHC's wine to Woodies Butcher Block.

Alfredo Koch shared information regarding the production costs of sparkling wine. The Foundation is purchasing all the sparkling wine and plan to gift to the donors as a thank you. Alfredo shared the estimated operational cash flow to include revenues and expenses for the period of July 1, 2020 to June 30, 2021.

6. Adjournment

The next regular meeting of the board of directors will be held on December 9, 2020 at 3:30 p.m.



AHC Viticulture & Enology Foundation



To: Board of Directors	ACTION ITEM
From: Eric D. Smith, Treasurer	Date: December 9, 2020
Subject: Acceptance of Donations	Item Number: 3.B.
	Enclosure(s): Page 1 of 1

BACKGROUND

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

- On November 2, 2020, Snap-on, Inc. donated 10 Pruners, Fixed Grip Small, 10 Pruners, Fixed Grip Medium, 5 Pruners, Rotating Grip Medium, Left, 10 Pruners, Rotating Grip Large, and 5 Lopper, Longer Handles.
- On November 3, 2020, Cambria Winery-Jackson Family Wines donated a Microscope UV – Vis Spectrophotometer.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends that the board accept the donations received.



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: December 9, 2020
Subject: Planting Suggestions	Item Number: 4.A.
	Enclosure(s): Page 1 of 1

BACKGROUND

The four-acre vineyard is planted with Pinot Noir clones 667,777 and 91, Syrah, Chardonnay, Malbec, Touriga, Cabernet Sauvignon, Albariño, Torrontés and a collection of more than 50 different cultivars (5 vines of each) from Italy, France, Spain, Germany and Portugal. There are currently 3.7 acres planted with a potential grape production of 12 tons per year. This amount of tonnage is equivalent to 800 cases or 1,800 gallons of wine per year.

The plan is to start some transformations by removing excess Pinot Noir and Torrontés and bring in needed varietals for intended blends and upcoming varietals and clones that are of importance for the industry. We will try to include student activity during this transformation, and considering that the vines take three years to produce fruit, it will take some time to have these wines produced. In the meantime, we can increase the case production slowly from our current 300 cases to 500+ (plus) cases in a few years. We would start replanting three rows in 2021 and continue in a similar manner during subsequent years.

Students from the Wine Business class presented options for the AHC Campus Vineyard new plantings as their class projects, and we have also interviewed instructors, nurseries, and the University of California extension.

Currently in 2020, there has been a strange phenomenon in the California wine industry: winegrowers decreased production overall due to previous overproduction since 2018, fear of the effects of the pandemic, and damage due to fires in the California North Coast. Conversely, there has been an increase in the wine purchasing trend during the pandemic, especially for less expensive wines. This combined effect creates a favorable outlook for years 2021 and 2022; and statewide winery reserves that used to be overfull are now stable at the end of 2020.

Next season we should continue selling Pinot Noir grapes. We expect to be able to sell at usual market price of \$2,000/ton instead of the \$1,000/ton price from this present year. We will also advertise early in the season.

General recommendations include:

- Slowly decrease the production of Pinot Noir while undergoing replanting.
- Increase Malbec production to at least 1 ton.
- Decrease the production of Torrontés to a half ton, unless there is a recommendation that dessert wine be produced.
- We should aim for at least a dozen different wines for student education, trials for the industry, and to have an interesting inventory of wines to present at the tasting room.
- Incorporate new resistant vines from UC Davis as a display.
- Replanting will be done with the help of student classes for learning and cost savings purposes.

A final draft is in preparation while we are awaiting additional information from the industry and suppliers.



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: December 9, 2020
Subject: Activ8 Update	Item Number: 4.B.
	Enclosure(s): Page 1 of 1

BACKGROUND

Activ8 training will begin on December 16, 2020.

We plan to continue with both VinoShipper for out of state sales and Activ8 for in state sales. Wine sales are currently being conducted through VinoShipper. VinoShipper was contracted for online sales, collections and shipping. Our bond is used in the state of California and in other states VinoShipper's bond is used. Costs are 4.75% plus 75 cents per unit sold in California and 8.75% plus 75 cents per unit sold in any other state. Wine club sales are at 8.75% plus 75 cents per unit.

It was requested in previous meeting to look for a software that could unify all inventories. Active8 Commerce can do that, with the advantage of a lower cost. The disadvantage is that it is only for the state of California, although most of our sales are in California. It could take two to three months for the implementation. The costs of installation will be donated; although there is a charge of approximately 3% of sales.

This software includes POS management, club management, ecommerce, marketing, shipping, tracking, inventory and data management. Active8 would combine eCommerce, POS and Wine Club all into one system, making it easier to keep track of sales and inventory.

Active8 has offered to donate the system and monthly fees to the winery. It would usually cost \$1500 set up fee and monthly fees of \$200-\$450 a month. Only fees would be the credit card fees which are 2.6% plus 10 cents per transaction. We would also need to purchase a new credit card terminal for about \$400.



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: December 9, 2020
Subject: Estimated Wine Production and Sales	Item Number: 4.C.
	Enclosure(s): Page 1 of 2

BACKGROUND

Winery Production:

Under our *Allan Hancock College Winery* label, we produce anywhere from 7 to 15 different wines a year. The wine is made from grapes from our vineyard, as well as grapes donated to or purchased for the winery. For the last few years, the winery has been producing between 2,300 to 2,700 gallons (1,000 to 1,140 cases) of marketable wine each year.

As of February 2020, the 2019 Vintage production was 1079 cases: 227 cases of Pinot, 69 cases of sparkling cuvee are being sold as bulk. 74 cases of malbec did not reach quality standards, leaving only 709 cases. We produced an excess amount of Albariño, Torrontés, Pinot Noir and Sparkling wine.

We decided to sell some of this excess wine in bulk to help reduce production cost and excess bottled wine inventory. In order to sell the excess wine during the pandemic, it had to be priced lower than the production cost which caused a loss of profit.

To avoid having to sell bulk wine at a loss, we decided that the 2020 Vintage production be drastically reduced. This means that the winery should only produce about 300-350 cases of 2020 wines. By reducing 2020 production, we hope to decrease wine inventory without having to do as many drastic sales on both bottled and bulk wine which should, in turn, make a higher profit for the winery. We also expect to reach usual grape prices next season in our grape sales.

2020 BULK WINE INVENTORY		
Wine	Gallons	Cases
Chardonnay	182	77
Albarino	57	24
Torrontes	0	0
Pinot Noir	276	116
Cabernet Sauvignon	155	65
Malbec	15	6
Syrah	148	62
Blanc de Noir	0	0
TOTALS	833	350

Production for 2021 should be similar to that of 2020. Unless sales really start to increase, the winery will produce about 400 cases of wine for the year.

SALES:

Currently the winery is on track to sell about 400 cases of wine in 2020. This is down from cases sold in 2019. The decrease in wine sales is due to the Covid-19 pandemic, which has caused our tasting room to be closed 9 months out of the year and wholesales sales to slow down drastically. We were able to increase direct to consumer sales through online sales; however, we still are not selling as much as we would be if we were open to the public. Wine events and tastings have also been cancelled all year, which is where we tend to get a lot of exposure in the community. Many of the wine competitions were also cancelled this year.

For the fiscal year ending in June 2020, it shows that the winery sales were nearly \$100,000 but the net sales only \$45,530 due to deep discounts.

To prevent having to do these deep discounts, the winery should only produce the amount of wines it can adequately sell annually. This means that, for the next year or two, we will decrease annual production to about 400-500 cases a year. As we resume normal operations over the next 6 to 18 months, we will revisit the production plan and increase production as sales increase.

Presently, a majority of our wine is sold direct to consumers (80%) via online sales. We currently have four outside accounts that regularly purchase and sell our wine.

Our largest consumers seem to be people associated with the college including staff, faculty, students, alumni, and their extended families. To maintain these relationships, we are sending out regular email notifications to keep in contact and remind people about the winery and provide online purchases with local pickup.

Many of our wines just received some really great scores from the Wine Enthusiast. We will use these scores in promotions to help increase sales.



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: December 9, 2020
Subject: Estimated Cost Reduction Plan	Item Number: 4.D.
	Enclosure(s): Page 1 of 1

BACKGROUND

Due to current pandemic restrictions on the winery, we are taking measures to adapt and restrict use of funding. We have been acting with an abundance of caution which has reduced the number of student class help. Unfortunately, this help has brought more expenses, particularly at the vineyard, but with some savings due to less labor at the winery, as well.

Contracting all wine analysis to outside vendors would cost \$12,400 per year. Doing them in house creates a significant savings and increases educational opportunities for our students.

In fiscal year 2019-2020, we spent \$ 5,538.61 in fees for wine analysis by outside vendors. We can run all the required analysis with \$4,700 which pays for the cost of new probes, maintenance, and calibration.

This year donors provided equipment and/or funding for two spectrophotometers and two microscopes which play a significant part in the analysis of our wines.

We will also advertise and sell five tons of Pinot Noir at regular pricing in 2021 which will help to offset vineyard and winemaking costs.



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Eric D. Smith, Treasurer	Date: December 9, 2020
Subject: Winery Board Inventory Report	Item Number: 4.E.
	Enclosure(s): Page 1 of 4

BACKGROUND

Attached is the winery board inventory report for the AHC Viticulture and Enology Foundation as of October 31, 2020.

Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report
As of October 31 2020

Vintage/Varietal	Bottled Wines										
	FY20 Beginning Inventory (Bottles)	Minus: YTD Sales	Minus: YTD Donations	Minus: YTD Winery Use	Plus/Minus: YTD Adjustments	Plus: YTD Inventory Additions	FY20 Ending Inventory (Bottles)	Cost per Bottle	FY20 Ending Inventory Cost Value	Retail Cost per Bottle	FY20 Ending Retail Cost Value
2014 Pinot Noir AHC (Estate SBC)	121	-109	0	-12	0	0	0	3.38	0.00	18.00	-
2015 Pinot Noir	986	-959	0	-27	0	0	0	1.76	0.00	18.00	-
2016 Pinot Noir Blanc de Noir (Sparkling)	254	-126	0	-4	1	0	125	4.46	557.31	30.00	3,750.00
2017 Albarino	290	-280	0	-9	-1	0	0	6.05	0.00	14.00	-
2017 Pinot Noir	437	-65	-13	-10	-3	0	346	6.61	2,287.32	18.00	6,228.00
2017 Pinot Noir Rose	7	-8	0	0	1	0	0	6.31	0.00	14.00	-
2017 Syrah	71	-70	0	-1	0	0	0	5.96	0.00	18.00	-
2017 Torrontes	16	-13	0	-4	1	0	0	5.22	0.00	14.00	-
2017 Sparkling Wine	0	-36	0	0	0	36	0	9.49	0.00	30.00	-
2018 Albarino	248	-20	-4	-5	-1	0	218	5.68	1,237.23	14.00	3,052.00
2018 Bordeaux (Blend)	1,006	0	0	-2	0	0	1,004	8.04	8,068.34	15.00	15,060.00
2018 Cabernet Sauvignon (RSQ)	491	-67	-3	-8	0	0	413	9.54	3,940.20	15.00	6,195.00
2018 Chardonnay (Steel)	247	-139	-15	-6	-2	0	85	6.53	555.19	14.00	1,190.00
2018 Chardonnay (Oak)	431	0	0	0	0	0	431	8.39	3,616.55	14.00	6,034.00
2018 Malbec	204	-36	-3	-8	-2	0	155	4.89	758.58	15.00	2,325.00
2018 Pinot Noir Rose	210	-189	-2	-12	-4	0	3	5.21	15.63	14.00	42.00
2018 Syrah (Estate)	304	-41	-4	-11	0	0	248	14.26	3,537.69	18.00	4,464.00
2018 Syrah (Blend)	516	-2	0	-19	-1	0	494	5.82	2,877.08	18.00	8,892.00
2018 Torrontes (Old)	865	-233	0	-8	-1	0	623	4.42	2,751.24	14.00	8,722.00
2019 Albarino	0	0	0	0	0	192	192	10.34	1,985.77	14.00	2,688.00
2019 Chardonnay	0	0	0	-1	0	720	719	10.27	7,385.90	14.00	10,066.00
2019 Grenache	0	-13	0	-5	0	396	378	9.91	3,746.24	18.00	6,804.00
2019 Grenache blanc	0	-6	0	-7	-3	216	200	11.18	2,235.02	15.00	3,000.00
2019 Merlot	0	-24	0	-9	0	588	555	9.19	5,099.84	18.00	9,990.00
2019 Pinot Noir	0	0	0	-4	0	528	524	9.40	4,926.68	18.00	9,432.00
2019 Torrontes	0	0	0	0	0	347	347	14.05	4,874.03	14.00	4,858.00
2019 Zinfandel	0	0	0	-7	0	852	845	9.27	7,836.19	15.00	12,675.00
Total Number of Bottles	6,704	-2,436	-44	-179	-15	3,875	7,905				
Cost Value Totals	\$ 41,132.58	\$ (10,483.46)	\$ (317.40)	\$ (1,141.16)	\$ (103.03)	\$ 39,204.54	\$ 68,291.58		\$ 68,291.58		\$ 125,467.00

Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report
First Class Pinot Noir
As of October 31 2020

Vintage/Varietal	Bottled Wines										
	FY20 Beginning Inventory (Bottles)	Minus: YTD Sales	Minus: YTD Donations	Minus: YTD Winery Use	Plus/Minus: YTD Adjustments	Plus: YTD Inventory Additions	FY20 Ending Inventory (Bottles)	Cost per Bottle	FY20 Ending Inventory Cost Value	Retail Cost per Bottle	FY20 Ending Retail Cost Value
First Class Pinot Noir	276	-171	0	-2	0	0	103	\$ 16.67	\$ 1,717.01	\$ 30.00	\$ 3,090.00
Total Number of Bottles	276	-171	0	-2	0	0	103				
Cost Value Totals	\$ 4,598.92	\$ (2,850.57)	\$ -	\$ (33.34)	\$ -		\$ 1,715.01		\$ 1,715.01		\$ 3,090.00

**Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report
As of October 31 2020**

Vintage/Varietal	Bulk Wines				
	Beginning Inventory Bulk Gallons	Ending Inventory Bulk Gallons	FY21 Ending Inventory Cost Value	FY21 Ending Inventory Cost/Gallon	FY21 Ending Inventory Cost Value (Case Equivalent)
2017 Pinot Noir Blanc de Noir (Sparkling)	206.0	198.0	5,150.79	26.01	61.91
2018 Blanc de Noir (Sparkling)	218.0	218.0	5,284.36	24.24	57.69
2019 Albarino	190.0	0.0	-	-	0.00
2019 Cabernet Sauvignon (008 - Donated)	118.0	118.0	2,964.41	25.12	59.79
2019 Cabernet Sauvignon (047 - Donated)	59.0	59.0	1,419.36	24.06	57.26
2019 Cabernet Sauvignon (412 - Donated)	59.0	59.0	1,419.36	24.06	57.26
2019 Cabernet Sauvignon (DCV - Donated)	118.0	111.0	3,135.40	28.25	67.23
2019 Chardonnay SBC	158.0	0.0	-	-	0.00
2019 Grenache (San Juan Vineyards-Donated)	89.0	0.0	-	-	0.00
2019 Grenache blanc (Haitey Ranch-Donated)	49.0	0.0	-	-	0.00
2019 Malbec (Happy Canyon)	177.0	0.0	-	-	0.00
2019 Merlot (SBC - Donated)	118.0	0.0	-	-	0.00
2019 Merlot (San Juan - Donated)	3.0	0.0	-	-	0.00
2019 Blanc de Noir (Sparkling)	139.3	139.3	3,696.89	26.54	63.16
2019 Pinot Noir (SBC)	471.0	307.0	7,852.86	25.58	60.88
2019 Syrah AHC	220.0	212.0	4,151.64	19.58	46.61
2019 Torrontes (AHC)	127.6	0.0	-	-	0.00
2019 Zinfandel (Donated)	177.0	0.0	-	-	0.00
2020 Albarino	0.0	57.0	1,601.34	28.09	66.86
2020 Cabernet Sauvignon	0.0	37.0	922.89	24.94	59.36
2020 Cabernet Sauvignon (North Fork Vineyard)	0.0	118.0	2,993.17	25.37	60.37
2020 Chardonnay	0.0	59.0	1,627.10	27.58	65.64
2020 Chardonnay (Stainless Steel)	0.0	123.0	3,286.69	26.72	63.60
2020 Malbec	0.0	18.0	448.98	24.94	59.37
2020 Pinot Noir (Lt #667)	0.0	156.0	3,941.00	25.26	60.13
2020 Pinot Noir (Lot #777)	0.0	59.0	1,494.82	25.34	60.30
2020 Pinot Noir (Lot # 91/777)	0.0	59.00	1,623.57	27.52	65.49
2020 Pinot Noir Rose (AHC)	0.0	75.0	2,092.72	27.90	66.41
2020 Syrah	0.0	148.0	3,691.57	24.94	59.36
2020 Syrah Rose	0.0	24.0	618.22	25.76	61.31
Total number of Gallons	2696.9	2,354.30			
Cost Value Totals			\$ 59,417.63	\$ 25.24	\$ 60.07
			plus: July 2020 unallocated costs	\$ -	
			equals: July 2020 GL balance	\$ 59,417.63	



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Eric D. Smith, Treasurer	Date: December 9, 2020
Subject: Financial Report	Item Number: 4.F.
	Enclosure(s): Page 1 of 3

BACKGROUND

Attached are the income statement and balance sheet for the AHC Viticulture and Enology Foundation as of October 31, 2020.

**AHC Viticulture & Enology Foundation
Statement of Financial Position
For The Period Ending 10/31/2020**

Assets	
Claim on Cash	54,913
Cash on Hand	100
Accounts Receivable	185
Charge Sale Clearing Account	1,358
Inventory-Bulk Wine	59,418
Inventory-Bottled Wine	70,007
Total Assets:	<u>185,981</u>
Liabilities	
Sales Tax Payable	129
Total Liabilities:	129
Fund Balance	
Fund Balance, July 1	193,426
Current Income (Loss)	(7,574)
Total Fund Balance:	185,852
Total Liabilities and Fund Balance:	<u>185,981</u>

AHC Viticulture & Enology Foundation
Statement of Operations
For The Period Ending 10/31/2020

Revenue	Non Cash Contribution	7,612
	Net Revenue	7,612
Wine Operations	Sales and Commission	51,131
	Sales Discounts	(25,950)
	Net Sales	25,181
	Cost of Goods Sold	(21,868)
	Gross Profit	3,313
	Total Revenues	10,924
Expenditures	Office/Operational Supplies	11,158
	In Kind Supply Expense	6,081
	Inventory Allocation Expense	(41,096)
	Non Instr Printing	1,968
	Food - Business Meetings/Events	392
	Service Contracts (Businesses)	21,169
	Travel - All Travel Costs	1,200
	In Kind-Software/Technlgy Licenses	5,580
	Sales Tax Expense	92
	Postage/Express Services	58
	Merchant Fees	2,201
	Gain/Loss-Disposal of Assets	4,096
	Equipment	4,769
	Equipment-In Kind Donations	830
	Total Expenditures	18,498
	Net Income (Loss)	(7,574)
Fund Balance	Fund Balance, July 1	193,426
	Current Balance	<u>\$185,852</u>