



**Viticulture & Winery Technology Foundation  
Auxiliary Organization Annual Report  
2016/17**

**August 24, 2017**

## A report to the Governing Board of the Napa Valley Community College District

From the Office of Institutional Advancement & Auxiliary Services and the Viticulture and Winery Technology Foundation (VWTF).

### SHARED PURPOSE - Office of Institutional Advancement (OIA) and the District's auxiliary services organizations

To promote and develop resources to support the educational mission of the Napa Valley Community College District.

### Introduction & Purpose of the Annual Report

This report will describe Viticulture & Winery Technology Foundation operations and finances, as required by Board Policy and Administrative Regulation (BP/AR 3600 – Auxiliary Organizations). (See Appendix B).

#### Recognition and Establishment

The Viticulture & Winery Technology Foundation was established 12/8/05 at the recommendation of President Christopher McCarthy.

### Why an Auxiliary?

- To provide the fiscal means and the management procedures that allow the District to carry on educationally related activities not normally funded by State apportionment;
- To eliminate the undue difficulty that would otherwise arise under the usual governmental budgetary, purchasing and other fiscal controls except as expressly prohibited by the Education Code or Title 5, or the District's procedures; or
- To provide fiscal procedures and management systems that allow effective coordination of the auxiliary activities with the District in accordance with sound business practices.
- To be a highly visible conduit for individuals or entities to direct resources in a way that ensures donor intentions are fulfilled.

*(BP 3600, Title 5, Auxiliary Manual)*

### Community College Auxiliary Services *(BP 3600 and Title 5)*

- **Public relations programs**
- Instructional Program Support
- Workshops, conferences, institutes and federal and specially funded projects
- Campus/Facilities Improvements
- **Food and Campus Services**
- Bookstore
- Student Union programs (clubs)
- Alumni Activities
- Fiscal Agency - Gifts, Bequests, Grants
- Loans, scholarships, grants-in-aid;

## Overview of Napa Valley Community College District's Viticulture & Winery Technology Foundation

Napa Valley Community College District's Viticulture & Winery Technology Foundation provides the District with Food and Campus Services related to winery commercial/retail operations. In relation to this service, VWTF is responsible for maintaining licensing, permitting and tax compliance for the production and sale of wine produced by the District's instructional program.

VWTF also provides industry specific public relations services which are uniquely focused on a major business sector in the District and nearby counties.

Winery operations are managed by Program Coordinator Paul Gospodarczyk who receives release time from his instructional assignment. Professor Gospodarczyk is assisted by Instructional Assistant Greg Siewart and students enrolled in the VWT courses. Vineyard operations are managed by Professor Molly Hodgins.

Foundation operations are overseen by a Board of Directors that includes community members, college faculty and administrators, and an NVC Governing Board member. Foundation operations are managed by Director Carollee Cattolica, Office of Institutional Advancement.

The winery, through the auxiliary foundation and its Board of Directors, holds permits with the Alcohol and Tobacco Tax and Trade Bureau (TTB) as well as the California Department of Alcohol Beverage Control. Additionally, the winery has local permits and licenses to operate in Napa County. The winery is registered with the Board of Equalization and pays state excise and sales taxes. The winery is also subject to federal excise taxes but qualifies for the small producers tax credit.

"The purpose of this Corporation is to support the Napa Valley College Viticulture and Winery Technology instructional program by administering the sale of wines produced by the college and to provide community advocacy and supportive services to enhance the Viticulture and Winery Technology program." (VWTF By-Laws)

### VWTF Board of Directors

Ronald Kraft, Chair	NVC Superintendent/President
Kyle Iverson, Vice Chair	NVC Trustee
Robert Parker, Treasurer	NVC Vice President/Asst. Superintendent
Pat Burke, Director	Director of Hospitality, Judd's Hill Winery
Deborah Leal, Director	General Manager, Knight's Bridge Winery
Paul Gospodarczyk, Director	NVC Professor, Winemaking
Molly Hodgins, Director	NVC Professor, Viticulture

## **A bit of history...Under New Management: 1/2016**

Management of the VWT Foundation was included in a reorganization of the Office of Institutional Advancement in Spring 2016. Under that reorganization, VWTF joined the District Auxiliary Services Foundation (DAS) under the advancement umbrella. The two auxiliary foundations, both of which provide promotional programs for the District, share fundamental policies, procedures, and organizational structure, as well as business and communications needs.

In addition to improving the organizational structure of VWTF, the reorganization brought together the entrepreneurial enterprises of the District with the functions of marketing, communications, and advancement.

## **Major Accomplishments – 2016/2017**

- Successful Mayfair Wine Sales event that generated \$XXXX in sales and XXXX new customer contacts while bringing new and existing friends of NVC to the campus.
- Completed a compliance audit and update project that included amending state and federal permits.
- Revised the internal accounting structure related to the foundation and VWT program to align the college's general fund budget and foundation finances.
- Remodeled space for a tasting room within the existing winery permit to allow for additional instructional lab space and direct sales opportunities.
- Filed for and received a Duplicate O2 Tasting Room permit for portions of the Upper Valley Campus in St. Helena.
- Filed for additional permitted locations on the Main Campus to expand wine service, sales, and promotion of the program, brand, and District.
- Completed a review of Foundation staffing levels and identified disconnects/unmet needs.
- Initiated work on a formal marketing plan & laid ground work for tasting room operations in coordination with Career & Technical Division and VWT faculty.
- Developed and published a website for the VWTF Board
- Revised VWTF By-Laws and Board of Directors membership
- Revised VWTF and NVC Master Agreement

**PROPOSED IMPROVEMENTS - PROJECT STATUS UPDATES:**

<b>Initiative</b>	<b>Status</b>	<b>Notes</b>
Main Campus added permit locations	Ongoing	Premise modification application revised by ABC to Premise to Premise Transfer application.
Marketing Plan	In Development	Kickoff Meeting held with instructional area & OIA
Wine Club	In Development	Staff assignment under discussion
Direct Sales: PAC Events, sale by the glass	In Development	Target: Soft Opening – TBD, Grand Opening: Shrek, 10/27/17-11/5/17
Direct Sales: Tasting Room – At VWT complex	In Development	ADA ramp outstanding. Business Process Mapping underway.
Tasting Room – At PAC	Scoping	
Staffing Plan 17/18	In Development	In coordination with OIA, DAS, and VWT, Hospitality, and CTE Student employment opportunities.
VWT Foundation Site and E-Winery Site Web Updates	Scoping	
Policy manual development	Ongoing	
Business Process Mapping	Ongoing	Sales and Production Meeting initial discussions
Point of Sale System/CRM (Square Up & Salesforce)	In Process	Salesforce implementation Fall 2017 in coordination with OIA, DAS, NVCF, NVC.
Workshop Series	Concept Development	New activity/service.

## **Use of Facilities & Services**

VWTF activities to promote the District, administer the sale of wine, and maintain wine production/sale compliance have a negligible impact on District facilities and services. The auxiliary provides significant value to the District in the administration of promotional programs related to the VWT program and institution. Benefit to the District, in the form of revenue from sales, increased visibility in the wine industry and community-wide, and compliance management, is in excess of potential rent and cost for services to the auxiliary. There are no District facilities made unavailable to instructional or other use by activities of the Foundation. Instructional facilities and activities are only enhanced by the Foundation's services to the District related to maintaining permitting compliance.

APPENDIX A

Financial Reports – 2016/2017

NAPA VALLEY COMMUNITY COLLEGE DISTRICT  
VITICULTURE and WINE TECHNOLOGY FOUNDATION  
BALANCE SHEET as of June 30, 2017

ASSETS

<b>CURRENT ASSETS</b>			
Cash In Bank - WestAmerica Bank	144,254		
Cash in Bank - Bank of Napa	47,175		
Inventory	57,905		
Accounts Receivable	1,403		<u>250,737</u>
<b>TOTAL ASSETS</b>			<u><u>250,737</u></u>

LIABILITIES, APPROPRIATIONS, RESERVE AND FUND BALANCE

<b>LIABILITIES</b>			
Accounts Payable	2,276		
Sales Tax Payable	696		
Due to General Fund	<u>21,787</u>		<u>24,759</u>
<b>FUND BALANCE</b>			
Unappropriated Fund Balance			225,078
Restricted Fund Balance			<u>900</u>
<b>TOTAL LIABILITIES, APPROPRIATIONS, RESERVE &amp; FUND BALANCE</b>			<u><u>250,737</u></u>

**VITICULTURE and WINE TECHNOLOGY FOUNDATION**  
**INCOME STATEMENT**  
For Period July 1, 2016 to June 30, 2017

**BEGINNING BALANCE** 128,663

**REVENUE**

Sales - Other	882
Sales - Wine Retail	17,433
Sales - Wine Bulk	36,724
Sales - Wine Wholesale	66,739
Interest Income	19

**TOTAL INCOME** 121,796

**EXPENDITURES**

Salaries & Benefits	6,121
Other Supplies	6,334
Consult/Program Advisors	4,250
Other Personal Services	638
Conferences & Seminars	15
Dues & Membership	1,214
Rentals - All Others	9
Other Mailing Expenses	331
Bank Discount Charges	1,496
Bad Debts	1,080
Discounts Given	763
Other Miscellaneous Expenses	2,231

**TOTAL EXPENDITURES** (24,482)

**ENDING BALANCE** 225,978



## APPENDIX B

### EXCERPT FROM AR 3600

An annual report shall be submitted to the Board of directors of the auxiliary organization and to the Superintendent/President by September 15. The report shall include, but is not limited to:

- All financial statements required to be filed with the California Community Colleges Chancellor's Office
- A comparison of budgeted and actual expenditures
- A description of major accomplishments of the organization
- A description of improvements proposed for operation of the organization