

**See Monterey FY2024-25
Year-End Investment Report
County of Monterey**

FY2024-25 Summary by the Numbers

Leveraging the County of Monterey's YTD investment of **\$1,913,494** with the combined jurisdiction and hotel investments yielded a tremendous ROI for our entire community. See Monterey's marketing communications efforts contributed to reaching over **9 million** travel-ready households and more than **547,749** ad-influenced trips to Monterey County.

County of Monterey Business Development ROI

- **Economic impact: \$2,370,238**
- Leads: 315
 - Potential room nights: 56,332
 - Potential new business:
 - 293 Leads, 53,745 Total Room Nights
- Booked groups: 22
- Booked room nights: 3,222
- Annual full-time jobs supported: 25

County of Monterey Marketing Communications ROI

- Partner Site Conversions: **20,229 clicks** from SeeMonterey.com to a local business
- Social Engagements: **313,741** likes, comments, shares, link clicks, and video views
- Earned media impressions: **3.37B**
- PR ad equivalency: **\$2,505,400**

County of Monterey Business Membership

- New members: **42** new business members
- Total members: **268** members in unincorporated county
- Events promoted: **71** events published and promoted

See Monterey Website & Visitor App Results

- Total web sessions: **114,449 sessions**
- New downloads of app: **2,346 downloads**
- Total App users: **12,744 Monthly Average Users**

FY24-25 Countywide Impacts

See Monterey's Marketing and Sales programs generate measurable results and strong ROI that add to the County's economic prosperity and resident quality of life.

Marketing Communications programs...



Influenced
547K
Overnight Visitor
Trips



Generated
\$1.1B
Influenced Visitor
Spending

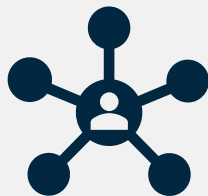


Resulted in
\$448
Visitor Spending for
Every Ad Dollar



Reached
9M
Traveling Households

Business Development programs...



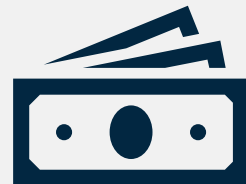
Generated
775
Leads



Accounted for
203
Groups Booked



Accounted for
83.1K
Room Nights
Booked



Booked
\$86M
In Economic Impact

Advertising

Find Your Way Here Leisure Campaign

- **103 million** Impressions
- **754,530** Website View

County inclusions in Paid Campaigns:

- *Find Your Way Here* Leisure Campaign
- *The Right Path* Responsible Travel Campaign
- *Seek + Find* Luxury Campaign
- *Inspiration Meets Here* Meetings Campaign
- *Another Day in Monterey* Campaign
- *HOW 2 HWY 1* Campaign



Owned Social Content Featuring County

Big Sur

- 119 Total Posts
- 164,432 Total Engagement

Carmel Valley

- 57 Total Posts
- 49,141 Total Engagement

Salinas Valley

- 29 Total Posts
- 11,738 Total Engagement



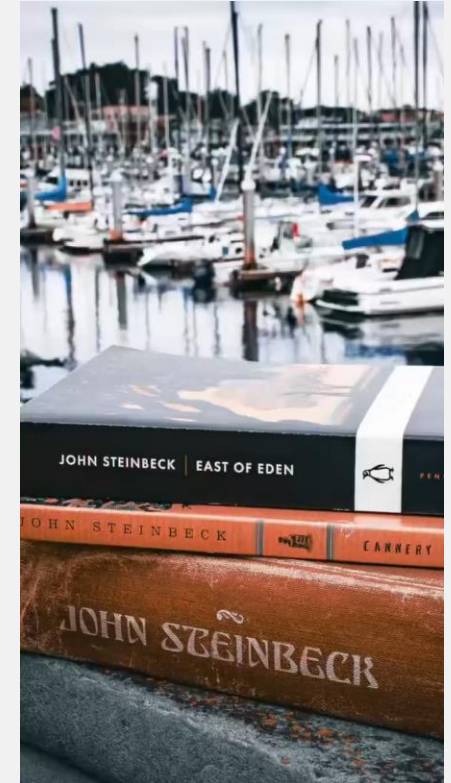
Henry Miller Library – Big Sur

Total Engagements: 55,806



Tatum's Treehouse – Carmel Valley

Total Engagements: 7,339



Steinbeck Birthday – Salinas Valley

Total Engagements: 2,055

Owned Social Content Featuring County

Moss Landing

- 29 Total Posts
- 28,302 Total Engagement

Pebble Beach

- 74 Total Posts
- 54,730 Total Engagement

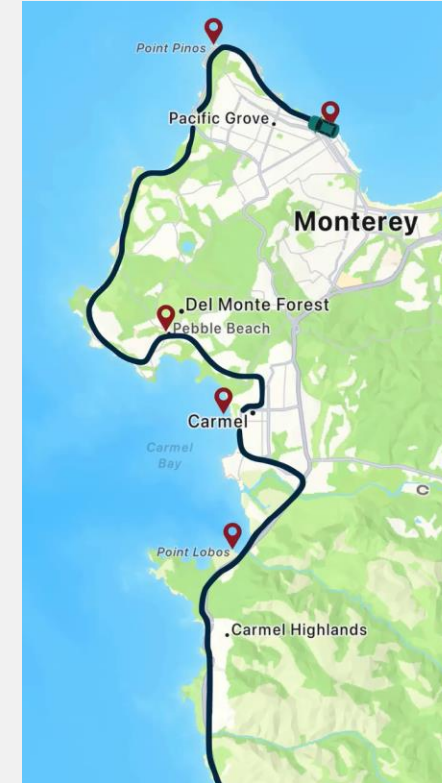
Castroville

- 9 Total Posts
- 5,398 Total Engagement



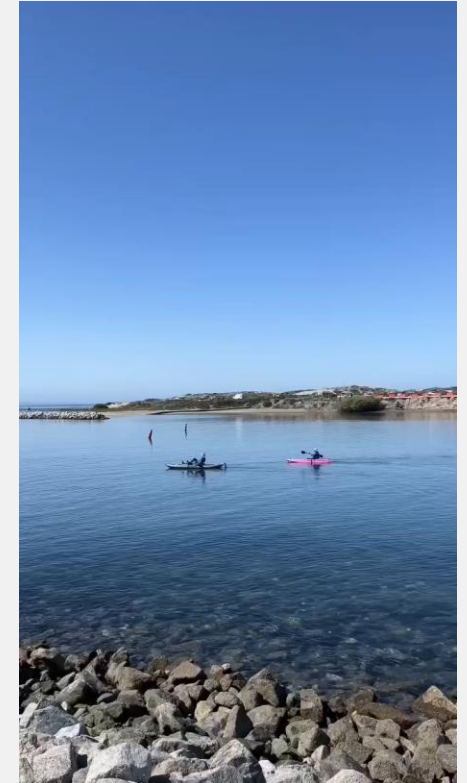
Kayaking – Moss Landing

Total Engagements: 9,381



17-Mile Dr, The Inn at Spanish Bay & The Hay – Pebble Beach

Total Engagements: 8,253



Phil's Fish Market & Giant Artichoke Restaurant – Castroville

Total Engagements: 1,433



 Garraupata State Park / Big Sur

Top Places to View Wildflowers

See Monterey in full bloom! Spring brings warmer temperatures, longer days and wildflowers painting the coastline, fields and hillsides of Monterey County—which means extra time to soak in the beauty.

If you're planning to explore the region's wildflower wonders, adore responsibly by staying on marked trails and off of the flowers.

Where to See Wildflowers 



 Earthbound Farm Stand / Carmel Valley

Bonus flower fun—Visit [Earthbound Farm Stand](#) on [You-Pick Tulip](#) days to wander the tulip fields and pick some favorites to take with you (based on availability and weather).

You-Pick Tulips 

Website & E-mail Content

Inclusion in:

- **23** Leisure-focused E-Newsletters
- **32** New blog posts



Salinas, California, has the perfect blend of agriculture and literary history. It is the hometown of Nobel-Prize-winning author John Steinbeck. The [National Steinbeck Center](#) features many exhibits, artifacts and film clips looking back into Steinbeck's life. In addition, only two blocks away is [The Steinbeck House](#), where John Steinbeck was born. It is now a restaurant and gift shop that visitors can enjoy. Beyond its literary legacy, Salinas is nestled in the heart of the [Salinas Valley](#), known as the "Salad Bowl of the World" for its rich agricultural production. The valley's fertile soil produces a significant portion of the nation's fruits and vegetables.

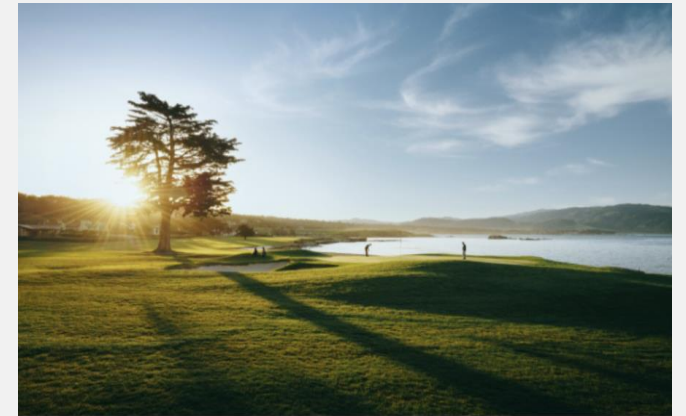


 Captain's Inn / Moss Landing

Make it Official - Book Your Stay

Monterey County's stunning coastal views, charming towns and unforgettable experiences await you! Make your stay official by booking directly with hotels for the best rate, warm hospitality and added flexibility. Find more current [deals](#) & [specials](#) to sweeten the deal.

Explore Places to Stay 



 Pebble Beach Golf Links / Pebble Beach

Seasonal Summer Flights to Monterey from Burbank, Carlsbad & Orange County

It's even easier to find your way to Monterey County this summer! Exclusively available for the summer months, award-winning air carrier JSX is offering nonstop service to Monterey (MRY) from Burbank (BUR), Carlsbad (CLD) and Orange County (SNA).

Find Flights to Monterey 

Public Relations

Article Inclusions

166

Press Releases

5

Average Media
Quality Score

14/20

Impressions

3.37B

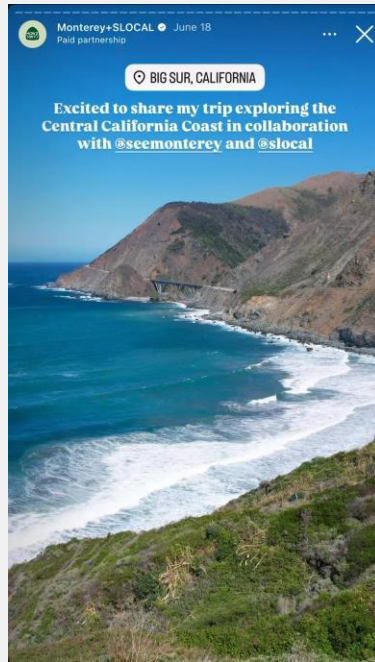
Advertising Value

Equivalent

\$2,505,400

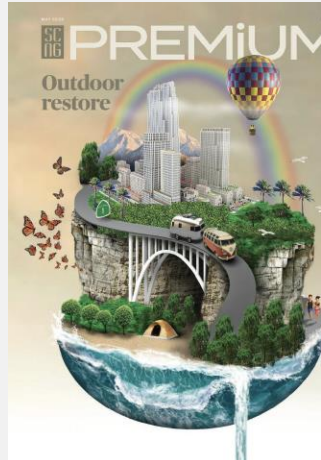
Media Hosted

51



The Best Carmel Valley Wineries (and More) to Visit Right Now

The once—well, maybe still—sleepy village at the heart of Carmel Valley is now the epicenter of wine tasting in Monterey County, one of the largest and most important viticultural regions in all of California. About 20 tasting rooms now huddle beneath stately oaks in the middle of town, with numerous eateries and lodging options just steps, or a few minutes' drive, away.



Monterey au naturel

This central coast county offers treasures by land, sea and sky

VOGUE

Romantic Getaways in the USA That Are Perfect for Any Couple's Trip



Fly into San Francisco and drive three hours down the Pacific Coast Highway to Central California's rugged Big Sur. Bike, hike, or simply take in the expansive views of the Pacific or the forest. Stay at the spectacular [Post Ranch Inn](#), which sits upon a craggy cliff, or go glamping among the Redwoods at [Ventana Big Sur](#). Make sure to stop by Big Sur Bakery for some pastries or Deetjen's for breakfast.



FOOD&WINE

7 Scenic Culinary Destinations Along California's Central Coast

Pair California's Central Coast with creative farm-to-table dining.



Rugged coastal landscapes and farm-to-table food define California's Monterey Peninsula, and each town has a distinct personality. [Carmel-by-the-Sea](#) is an upscale village of manicured beauty, fairytale cottages, more than 60 restaurants (the peninsula's only two with Michelin stars included), and 80 galleries, a throwback to its bohemian art and writer colony origin. [Big Sur](#) is famous for hairpin curves on Highway 1, the dramatic Bixby Bridge, and counterculture history, while [Pacific Grove](#) is where thousands of Monarch butterflies start to descend in October (plus Victorian inns). [Monterey's](#) long-lost sardine-canning industry and working-class history was immortalized in John Steinbeck's *Cannery Row*.



HOW 2 HWY 1

Goal:

Support a long-term shift in messaging that communicates the ease and options of a Big Sur Road Trip regardless of highway conditions or closures

Launch Results:

Landing Page Visits: **1.6K**

Social Engagements: **7K+**

Media Placements: **1,374**

Audience: **175 million**

Ad Value: **\$528,000**

[Watch Satellite Media Tour Highlights Here](#)



Business Development

Travelers attending meetings and conferences rank among the most valuable to a destination.



Promoted the jurisdiction at 75+ industry events across the nation

Presented 15 Co-Op Opportunities in 2025 for County Partners.

Events took place in key states: California, Arizona, Colorado, Texas, Illinois

In-Market Events and FAMS:

HB Conclave, Maritz, Pebble Beach Food & Wine, Northstar Leadership Forum

Exposure at Major Industry Events:

15,500 attendees at IMEX America

5,500 American Society of Association Executives

4,500 Professional Convention Management Association (PCMA) Convening Leaders

2,200 Meeting Professionals at MPIWEC

Community Relations

Business Support & Partnership

Business Support

- **1,200+** hospitality business members across Monterey County
- Hosted **three free workshops** led by our team and industry experts:
 - social media
 - responsible travel
 - international market & travel trade

WAYFINDING



Community Collaboration

- JIC Participation: Highway 1 slip out, Vistra Fire
- Bixby Bridge Task Force
- BSBO administrative support and participation
- Highway 1 local and regional collaboration
- Car Week information hub for visitors and residents
- Collaboration with regional visitor centers and DSA partners

Community Connectivity

Representation & Collaboration

County representation on See Monterey Board of Directors:

- Supervisor Daniels, Director
- MCAC, MCFC, MCFB, Big Sur, Pebble Beach, WeatherTech Raceway Laguna Seca, South County

Monterey County Tourism 2030

In collaboration with and input from community stakeholders, See Monterey published **MCT 2030**.

A guide for sustainable tourism growth that supports economic vitality while protecting the region's natural beauty, cultural heritage, and quality of life for residents.

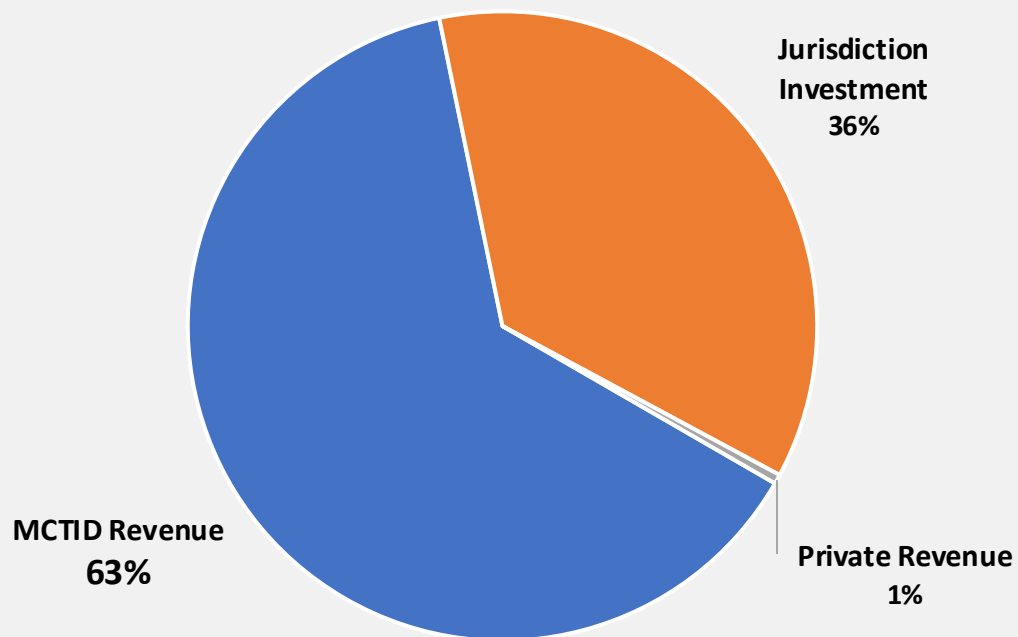
Regular collaboration with countywide partners:

- Monterey County Hospitality Association
- Monterey County Vintners & Growers Association
- Monterey County Farm Bureau
- Monterey County Business Council
- Monterey Bay Economic Partnership
- Regional Chambers
- Cal State Monterey Bay
- And more...

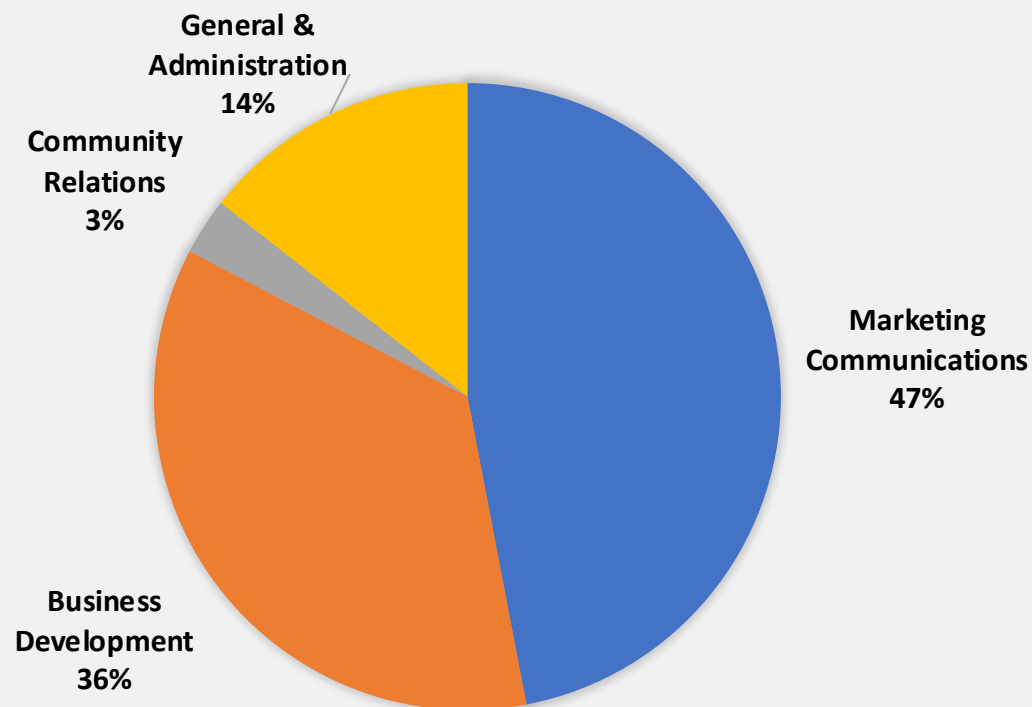
FY2024-25

REVENUE AND EXPENSE BREAKDOWN

FY2024-25 REVENUE



FY2024-25 EXPENSE



See Monterey ranks 6th out of 8 in budget firepower—yet consistently delivers outsized results compared to better-funded competitors. The County's investment ensures Monterey County remains competitive.

Thank you for your continued partnership.

If you have questions or would like to request a meeting or presentation, please contact:

**Alyssa Rendon Heinzer
Director of Community Relations
Alyssa@SeeMonterey.com**

SEE MONTEREY

FY2024-25 Board of Directors

Chair:	Bina Patel	Peninsula Hospitality Group
Secretary	Fady Hanna	Lighthouse Lodge
Chair Elect	Janine Chicourrat	Portola Hotel & Spa
Treasurer	Erik Uppman	Cannery Row Company
	Chris Sommers	Monterey Plaza Hotel & Spa
	Margaret D'Arrigo	City of Salinas
Past Chair	Amrish Patel	Green Lantern Inn
	Dale Johnson	Embassy Suites
	Kate Daniels	Monterey County
	Ed Smith	City of Monterey
	Mel Harder	WeatherTech Raceway Laguna Seca
	Kelly Green	Hestia Coffee
	Sylvain Briens	Sanctuary Beach Resort
	Amy Herzog	Visit Carmel
	Donna Langley	Pebble Beach Resorts
	Stefan Lorch	Monterey Marriott
	Kevin Ellis	Hyatt Regency Monterey
	Kirk Gafill	Nepenthe / Phoenix Corp
	John Turner	Intercontinental The Clement
Advisor:	Paige Viren	MCHA
	Open	MCVGA
	Paula Joy MacNab	MC Film Commission
	Chris Morello	Monterey Regional Airport
	Tonya Hufford	MCC
	Jacquie Atchison	Arts Council for MC
	Norm Groot	MC Farm Bureau
	Hans Uslar	City of Monterey
	Liesbeth Visscher	City of Marina
	Sean Panchal	Presidents Inn
	Hartmut Ott	Monterey County
	Dana Allen-Greil	Monterey Bay Aquarium
	Erin Sollecito	Monterey Touring Vehicles
	Mike LaBarre	King City (Mayor)
	Anna Velazquez	Soledad (Mayor)
	Michelle Overmeyer	MST
Staff:	Rob O'Keefe	See Monterey

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Monterey County Destination Marketing Organization, Inc.
dba See Monterey
Monterey, California

Opinion

We have audited the accompanying financial statements of Monterey County Destination Marketing Organization, Inc., dba See Monterey (Organization), a nonprofit corporation, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in net assets and its cash flows for the years 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 and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of the Organization 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 opinion.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government Auditing Standards*, we:

- 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

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 1, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Organization'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 Organization's internal control over financial reporting and compliance.

Bindi, Karavan + Aye, LLP

Salinas, California

November 1, 2024

FINANCIAL STATEMENTS

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

ASSETS		
	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,987,913	\$ 1,243,344
Accounts receivable - Note 2	1,571,120	1,507,778
Other receivable	-	20,903
Prepaid expenses and deposits	149,840	422,322
TOTAL CURRENT ASSETS	3,708,873	3,194,347
PROPERTY AND EQUIPMENT - net - Note 3	143,282	-
OPERATING RIGHT OF USE ASSETS - Note 6	1,029,701	47,388
TOTAL ASSETS	<u>\$ 4,881,856</u>	<u>\$ 3,241,735</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 387,311	\$ 954,351
Accrued expenses - Note 5	343,875	415,647
Contract liabilities	30,140	-
Current portion of operating lease liabilities - Note 6	75,530	42,129
TOTAL CURRENT LIABILITIES	836,856	1,412,127
OPERATING LEASE LIABILITIES - net of current portion - Note 6	961,360	4,355
TOTAL LIABILITIES	1,798,216	1,416,482
NET ASSETS WITHOUT DONOR RESTRICTIONS	3,083,640	1,825,253
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,881,856</u>	<u>\$ 3,241,735</u>

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
SUPPORT AND REVENUES		
Tourism Improvement District income	\$ 7,717,459	\$ 3,840,143
Jurisdiction investment	3,910,367	3,804,806
Public contracts and federal assistance	474,757	798,298
Marketing	41,201	45,315
Interest income	7,837	6,744
Miscellaneous	7,317	26,964
TOTAL SUPPORT AND REVENUES	12,158,938	8,522,270
EXPENSES		
Program Services		
Marketing communications	5,049,595	5,157,705
Group business development	4,050,536	3,355,445
Community relations	339,997	275,932
Total Program Services	9,440,128	8,789,082
Support Services		
Administration	1,460,423	1,151,232
TOTAL EXPENSES	10,900,551	9,940,314
CHANGE IN NET ASSETS		
WITHOUT DONOR RESTRICTIONS	1,258,387	(1,418,044)
NET ASSETS WITHOUT DONOR RESTRICTIONS,		
BEGINNING OF YEAR	1,825,253	3,243,297
NET ASSETS WITHOUT DONOR RESTRICTIONS,		
END OF YEAR	\$ 3,083,640	\$ 1,825,253

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Support Services	
	Marketing Communications	Group Business Development	Community Relations	Administration	Total
Advertising	\$ 3,562,746	\$ 856,095	\$ -	\$ -	\$ 4,418,841
Salaries and wages	700,966	1,220,257	193,373	664,539	2,779,135
Conventions and meetings	-	1,516,379	69,893	22,149	1,608,421
Promotion	344,905	30,315	759	-	375,979
Information Technology	-	-	13,887	270,984	284,871
Employee benefits	87,515	100,949	19,790	53,477	261,731
Research	197,084	61,580	-	-	258,664
Payroll taxes	55,746	93,643	15,085	44,747	209,221
Professional fees	-	-	-	149,336	149,336
Travel	20,518	60,985	4,680	55,290	141,473
Rent - Note 6	35,438	41,026	12,011	27,429	115,904
Memberships and subscriptions	14,705	17,899	-	53,126	85,730
Professional development	17,159	33,820	6,592	11,071	68,642
Supplies	-	-	-	54,729	54,729
Insurance	-	-	-	23,364	23,364
Equipment maintenance	4,375	5,065	1,483	8,299	19,222
Telephone	3,297	6,321	813	3,950	14,381
Utilities	4,507	5,217	1,527	2,987	14,238
Service fees	-	-	-	12,708	12,708
Printing and postage	327	629	-	2,015	2,971
Depreciation - Note 3	307	356	104	203	970
Interest expense	-	-	-	12	12
Taxes and licenses	-	-	-	8	8
TOTAL FUNCTIONAL EXPENSES	\$ 5,049,595	\$ 4,050,536	\$ 339,997	\$ 1,460,423	\$ 10,900,551

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	Program Services			Support Services	
	Marketing Communications	Group Business Development	Community Relations	Administration	Total
Advertising	\$ 3,904,477	\$ 773,866	\$ -	\$ -	\$ 4,678,343
Salaries and wages	584,884	1,087,268	135,227	612,200	2,419,579
Conventions and meetings	-	1,092,262	65,939	64,299	1,222,500
Promotion	259,061	33,537	4,384	-	296,982
Research	181,319	80,097	-	-	261,416
Information Technology	67,597	91,022	30,623	33,850	223,092
Payroll taxes	45,563	77,384	10,604	45,232	178,783
Professional fees	-	-	-	159,928	159,928
Employee benefits	41,747	-	16,115	59,808	117,670
Travel	15,818	50,798	1,760	37,964	106,340
Rent - Note 6	25,374	33,941	5,222	20,754	85,291
Memberships and subscriptions	14,191	17,266	-	34,869	66,326
Professional development	15,078	12,865	5,633	14,096	47,672
Supplies	-	-	-	16,860	16,860
Equipment maintenance	-	-	-	14,372	14,372
Utilities	-	-	-	12,089	12,089
Insurance	-	-	-	11,726	11,726
Telephone	2,567	4,744	396	3,326	11,033
Service fees	-	-	-	9,078	9,078
Printing and postage	29	395	29	517	970
Taxes and licenses	-	-	-	225	225
Interest expense	-	-	-	39	39
TOTAL FUNCTIONAL EXPENSES	\$ 5,157,705	\$ 3,355,445	\$ 275,932	\$ 1,151,232	\$ 9,940,314

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets without donor restrictions	\$ 1,258,387	\$ (1,418,044)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Depreciation	970	-
Change in operating lease assets and liabilities	8,093	(904)
(Increase) decrease in:		
Accounts receivable	(63,342)	(24,709)
Other receivable	20,903	(20,903)
Prepaid expenses and deposits	272,482	(224,764)
Increase (decrease) in:		
Accounts payable	(567,040)	705,725
Accrued expenses	(71,772)	156,220
Contract liabilities	<u>30,140</u>	<u>(154,540)</u>
Net cash provided by (used in) operating activities	<u>888,821</u>	<u>(981,919)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(144,252)</u>	<u>-</u>
Net cash used in investing activities	<u>(144,252)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	744,569	(981,919)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,243,344</u>	<u>2,225,263</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,987,913</u></u>	<u><u>\$ 1,243,344</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest expense	<u><u>\$ 12</u></u>	<u><u>\$ 39</u></u>

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
dba SEE MONTEREY
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Monterey County Destination Marketing Organization, Inc., dba See Monterey (Organization) is a California nonprofit corporation established in May 2000. The assets and liabilities of two predecessor organizations, the Monterey County Travel and Tourism Alliance and the Monterey Peninsula Visitors and Convention Organization, Inc., were conveyed and transferred effective July 1, 2000, under a plan to form a single destination marketing organization for the Monterey County area. In October of 2023, the Organization changed its dba from Monterey County Convention and Visitors Bureau to See Monterey.

The primary purposes of the Organization are to provide a mutual exchange of information for those entities in Monterey County which foster and encourage the business of tourism and travel; increase tourist visitation to Monterey County through strategic marketing plans, service and information programs and direct sales efforts; and increase awareness of Monterey County as a tourist destination through effective visitor service programs.

In return for jurisdiction investment, the Organization provides programs and services to market tourism to the County of Monterey and the cities of Monterey, Carmel-by-the-Sea, Marina, Pacific Grove, Salinas and Seaside.

On October 17, 2006, an ordinance of the City Council of Monterey established the Monterey County Tourism Improvement District (MCTID) within the County of Monterey under the 1989 law. The cities participating in the MCTID include Carmel-by-the-Sea, Marina, Monterey, Pacific Grove, Salinas and Seaside. The County of Monterey also participates in the MCTID. The MCTID levies an assessment on the lodging businesses of the participating cities and county based upon a flat fee of \$7.00 per occupied room per night for luxury lodging businesses, \$4.50 per occupied room per night for full-service lodging businesses and \$1.50 per occupied room per night for limited-service lodging businesses, as defined by Smith Travel Research. On November 6, 2018, the City Council of Monterey adopted a resolution declaring the results of the majority protest proceeding and paving the way to re-establish the MCTID within the County of Monterey under the 1994 law effective January 1, 2019. On November 20, 2018, the City Council of Monterey adopted a resolution dis-establishing the MCTID under the 1989 law.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Activities (Continued)

Assessments remain the same under the re-established MCTID and are reviewed at a minimum annually by the MCTID Oversight Committee, an advisory committee of the Organization Board. Any assessment increase must be approved by a two-thirds (2/3) vote of the full membership of the MCTID Committee.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when performance obligations are satisfied and expenses are recognized when the related liability is incurred. The Organization reports information regarding its financial position and activities to the following two classes of net assets:

- Net assets without donor restriction: Net assets which are not subject to or are no longer subject to donor-imposed stipulations.
- Net assets with donor restriction: The use of these net assets is limited by donor-imposed time and/or purpose stipulations. The Organization had no donor restricted net assets as of June 30, 2024 and 2023.

Recognition of Donor Restrictions

Revenues are reported as increases in net assets without restriction unless use of the related assets is limited by donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without restriction if the restriction expires in the reporting period in which the support is recognized. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on assets are reported as increases or decreases in net assets without restriction unless their use is restricted by explicit donor restriction or by law.

Fair Value of Financial Instruments

The Organization's financial instruments, including cash, accounts receivable, accounts payable and accrued expenses are carried at cost, which approximates their fair value due to the short-term maturity of these instruments.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purposes of cash flows, the Organization considers all demand deposits, money market funds and securities with original maturities of 90 days or less to be cash equivalents.

Accounts Receivable

Receivables generally represent various amounts owed to the Organization under contractual arrangements with various governmental entities and MCTID assessments. Receivables are recorded using the allowance method and are presented net of the allowance for credit losses. At June 30, 2024 and 2023 the allowance is \$-0-.

Property and Equipment

Property and equipment are recorded at cost, and donated property and equipment is recorded at estimated fair market value on the date contributed to the Organization. It is the policy of the Organization to capitalize all property and equipment purchases greater than \$5,000 with an estimated useful life of greater than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to fifteen years.

Expenditures for maintenance and repairs are charged to expense as incurred. Renewals or betterments of significant items are capitalized. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is recognized.

Assets donated with explicit restrictions regarding their use and contributions of cash that are restricted to property and equipment purchases are reported as donor restricted support. Absent donor stipulations regarding how long those donated assets are to be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in their specified service, at which time the donor restricted net assets are reclassified as net assets without donor restriction.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

For most contracts with customers, the Organization recognizes revenues when the performance obligation is satisfied, which is the point at which control of the services are transferred to its customers, in an amount that reflects the consideration the Organization expects to be entitled to receive in exchange for those services. For the majority of the Organization's customer arrangements, control transfers to customers at a point-in-time when destination marketing and promotion services are performed, as that is generally when risks and rewards of services transfers to the customer. The timing of satisfaction of the performance obligation is not subject to significant judgment.

Contract liabilities represent advances received for sponsorships, cooperative marketing activities fees, public contracts and other services in advance of the Organization's performance obligations.

Sponsorships, cooperative marketing activities fees, public contracts and other services for the succeeding fiscal year are billed prior to the end of the current fiscal year. Sponsorships, fees, and other services included in contract liabilities on the Statements of Financial Position, were \$30,140 and \$-0- at June 30, 2024 and 2023, respectively, and represent amounts collected or advanced before year-end but not earned until the subsequent year.

Cooperative marketing activities billed for the succeeding fiscal year but not collected at June 30, 2024 and 2023, were \$-0- and \$-0-, and are not reflected in these financial statements at June 30, 2024 and 2023, respectively.

Donated Services

Donated services are not recorded unless such services create or enhance non-financial assets or require specialized skills and are so essential that they would be purchased if not provided by donation.

Expense Allocation

Expenses relating to more than one function are allocated to program services and support services. Allocated salaries are based on employee time and expense studies. In addition, rent, information technology, gain or loss on property and equipment dispositions, and depreciation expenses are allocated based on a headcount, or the number of employees for each program.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Organization maintains bank accounts at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2024 and 2023, respectively. Cash at these institutions exceeds federally insured limits at various times during the year. The amount in excess of the FDIC limits totaled \$1,700,000 and \$714,113 as of June 30, 2024 and 2023, respectively. Management believes there is no significant risk with respect to these deposits. Further, the Organization's financial policies allow for bank balances to be greater than insured limits.

Income Taxes

As a tax-exempt not-for-profit organization, the Organization is exempt from federal income taxes under 501(c)(6) of the Internal Revenue Code and from state franchise tax under California Revenue and Taxation Code Section 23701(e), but is subject to taxes on unrelated business income when earned. GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's tax returns are subject to possible examination by federal and state taxing authorities. For federal income tax purposes, the Organization's tax years 2021 through 2023 remain open for possible examination by the Internal Revenue Service. For state income tax purposes, the Organization's tax years 2020 through 2023 remain open for possible examination by the Franchise Tax Board.

Advertising Costs

As part of its exempt purpose, the Organization coordinates and conducts several advertising campaigns to promote tourism in the Monterey County area. Since the Organization does not directly derive any revenue from such campaigns, all advertising costs are expensed as incurred. Advertising costs were \$3,168,676 and \$2,942,437 for the years ended June 30, 2024 and 2023, respectively.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Organization recognizes a right-of-use asset and lease liability, measured at the present value of the lease payments, for leases greater than 12 months. The Organization calculates its lease right-of-use asset and lease liability using its incremental borrowing rate and terms under the lease agreements. The Organization uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The Organization amortizes lease right-of-use assets over the respective lease term.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2023 financial statements have been reclassified to conform to the June 30, 2024, presentation. These reclassifications had no effect on net income.

New Accounting Standard

In June 2016, the FASB issued ASU 2016-13, Financial Credit Losses (Topic 326), which changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected credit loss model which is based on an estimate of current expected credit loss (CECL). The Organization adopted the provisions of ASU 2016-13 on July 1, 2023, and this adoption did not have a material impact on the financial statements.

Subsequent Events

Subsequent events have been evaluated through November 1, 2024, which is the date the financial statements were available to be issued.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

2. ACCOUNTS RECEIVABLE

Accounts receivables consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Tourism Improvement		
District receivables	\$ 1,552,092	\$ 813,691
Jurisdiction investments and		
miscellaneous receivables	<u>19,028</u>	<u>694,087</u>
Accounts receivable	<u><u>\$ 1,571,120</u></u>	<u><u>\$ 1,507,778</u></u>

3. PROPERTY AND EQUIPMENT - NET

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Information Technology	\$ 198,496	\$ 203,767
Furniture and equipment	<u>86,560</u>	<u>37,206</u>
	285,056	240,973
Less accumulated depreciation	<u>(204,514)</u>	<u>(240,973)</u>
	80,542	-
Construction in progress	<u>62,740</u>	<u>-</u>
Property and equipment - net	<u><u>\$ 143,282</u></u>	<u><u>\$ -</u></u>

Depreciation expense totaled \$970 and \$-0- for the years ended June 30, 2024 and 2023, respectively.

4. LINE OF CREDIT

In December 2014, the Organization entered into a collateralized line of credit agreement with Rabobank, now known as Mechanics Bank, with a maximum amount available for borrowing of \$200,000 and an interest rate of Wall Street Journal Prime Rate plus 4.00%. In February 2022, the Organization renewed this line of credit for eleven months and it matured in January 2023. The Organization did not renew this line of credit.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

4. LINE OF CREDIT (Continued)

In January 2024, the Organization entered into a collateralized line of credit agreement with Pacific Valley Bank, with a maximum amount available for borrowing of \$400,000 and an interest rate of 8.50% as of June 30, 2024. The Organization's outstanding balance on this line of credit was \$-0- as of June 30, 2024.

5. ACCRUED EXPENSES

Accrued expenses consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Accrued wages and other compensation costs	\$ 204,240	\$ 270,755
Accrued compensated absences	139,635	128,714
Accrued retirement benefits	<u>-</u>	<u>16,178</u>
Accrued expenses	<u><u>\$ 343,875</u></u>	<u><u>\$ 415,647</u></u>

6. LEASE COMMITMENTS

The Organization leases its administrative office space, storage space and various equipment under operating leases.

In May 2020, the Organization entered a lease agreement for administrative office space located on Webster Street in Monterey. Monthly rent was \$3,900 with annual increases of 3%. This lease expired in December of 2023 and was not renewed.

In May 2024, the Organization entered into a five-year lease for office space on Pacific Street, in Monterey, with one renewal option of five years. All lease extension options are expected to be exercised as of June 30, 2024, therefore, the lease agreement is expected to expire in April 2034. Monthly rental payments under this lease are \$9,809 in the first year, increasing 2.5% every subsequent year after.

	<u>2024</u>	<u>2023</u>
Weighted-average discount rate	4.62%	2.84%
Weighted-average remaining lease term (years)	9.79	0.76

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

6. LEASE COMMITMENTS (Continued)

Rent expense consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Administrative space rent	\$ 108,961	\$ 78,658
Storage space	3,240	2,930
Equipment	<u>3,703</u>	<u>3,703</u>
Rent expense	<u><u>\$ 115,904</u></u>	<u><u>\$ 85,291</u></u>

The future minimum lease commitments for the years ending June 30 are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2025	\$ 121,900
2026	122,386
2027	124,165
2028	127,199
2029	130,380
Thereafter	<u>677,348</u>
Total minimum lease payment	1,303,378
Less present value discount	<u>266,488</u>
Total operating lease obligation	<u><u>\$ 1,036,890</u></u>

During the years ended June 30, 2024 and 2023, the Organization also had offsite storage with lease terms that were each shorter than 12 months. The Organization elected not to apply the recognition requirements in ASC 842 to such short-term leases and instead recognized the related lease payments as expenses on a straight-line basis over the respective lease term in the period in which the obligation for those payments is incurred.

MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

7. RETIREMENT PLAN

The Organization maintains a 401(k) plan, which is available to all employees to make contributions regardless of age or service. Effective January 1, 2022, for all participants who have attained the age of eighteen and have no less than one year and 1,000 hours of total service with the Organization, the Organization matches the employees' contributions at a rate of 100% for the first 4% of eligible compensation plus 50% of the next 2% of employees' eligible compensation. Retirement plan contributions charged to expense were \$108,473 and \$87,188 for the years ended June 30, 2024 and 2023, respectively.

8. CONCENTRATION OF RISK

Approximately \$9,200,000 and \$5,900,000 of the Organization's total revenues, or 75% and 69%, were provided by Monterey County, the City of Monterey and hotels within the City of Monterey and the unincorporated areas of Monterey County for the years ended June 30, 2024 and 2023, respectively. The ability of the Organization to continue as a viable entity is dependent upon the continued support of Monterey County, the City of Monterey and hotels within the City of Monterey and the unincorporated areas of Monterey County.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year.

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 1,987,125	\$ 1,243,344
Accounts receivable	1,571,120	1,507,778
Other receivable	<u>-</u>	<u>20,903</u>
Total financial assets	<u><u>\$ 3,558,245</u></u>	<u><u>\$ 2,772,025</u></u>
Financial assets available to meet cash needs for expenditures within one year	<u><u>\$ 3,558,245</u></u>	<u><u>\$ 2,772,025</u></u>

The Organization does not have financial assets unavailable for general expenditure within one year. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Monterey County Destination Marketing Organization, Inc.
dba See Monterey
Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, Monterey County Destination Marketing Organization, Inc., dba See Monterey (Organization), a nonprofit corporation, which comprise the statements of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Salinas, California
November 1, 2024