

October 24, 2025

SEE MONTEREY FINANCE COMMITTEE (Special)

SEE
MONTEREY





PUBLIC COMMENT



MEMBER & STAFF ANNOUNCEMENTS

NEW HIRES



Jennifer Chiesa
Director of
Public Relations



Erin Burd
Content
Manager



Mackenzie Fisher
Marketing
Coordinator



Zeke Ramsell
Senior Business
Development
Executive
(SF Bay Area)

BoardEffect Implementation

- BoardEffect is a board management software designed to enhance the efficiency and effectiveness of board meetings and governance processes for organizations.
- One stop shop for board organization, communication + presentations
- Website + Mobile App
- 24/7 customer support for board members
- User account information to be sent following this meeting.
- Will begin using for January meetings.





CONSENT AGENDA

Agenda

1

**Minutes of the April 18,
2025 Finance Committee**

*Recommended Action:
Approve Draft Minutes*



REGULAR AGENDA

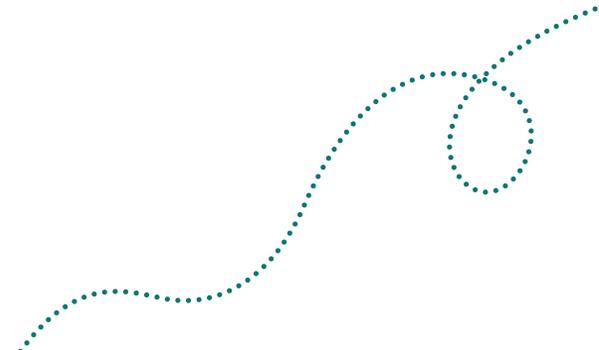
A. 2024-25 AUDITED FINANCIAL STATEMENTS REVIEW



2024-2025 Audited Financial Statement Review



Jarrod Penner, CPA



MONTEREY

FIND YOUR WAY HERE™

Audit results for the year ended June 30, 2025

October 24, 2025



Audit Team

- ▶ Jarrod Penner, CPA, Audit Partner*
- ▶ Harita Ravikumar, CPA, Audit Manager
- ▶ Alexis Andalon, Senior Audit Staff
- ▶ Peter Stauff, Audit Staff

* Attending this presentation

Communications Letter

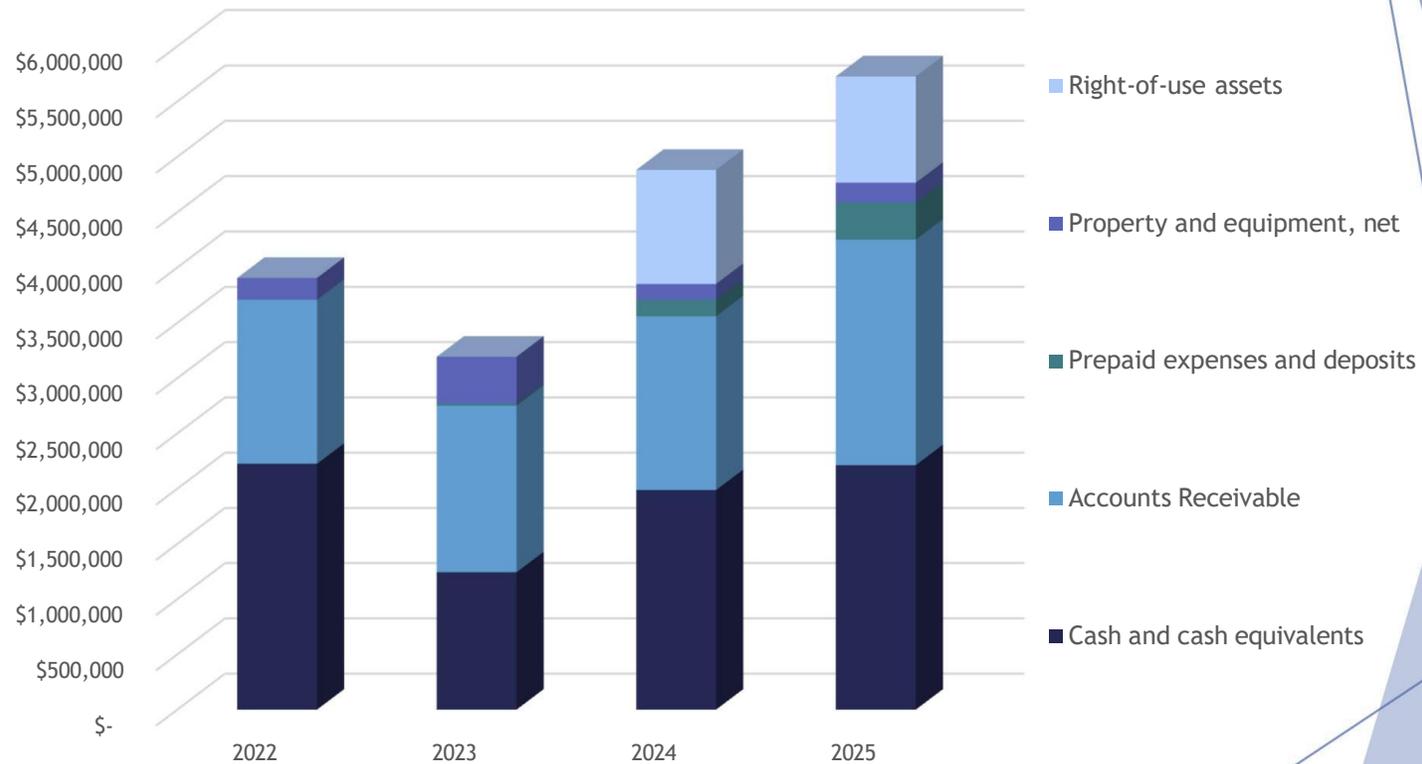
- ▶ A clean, unmodified opinion will be issued.
- ▶ No material weaknesses were identified.
- ▶ No fraud was identified as a result of our audit procedures.
- ▶ There were no disagreements with management.
- ▶ The audit was completed in a timely manner as planned.
- ▶ Management was knowledgeable and very helpful.

Reports

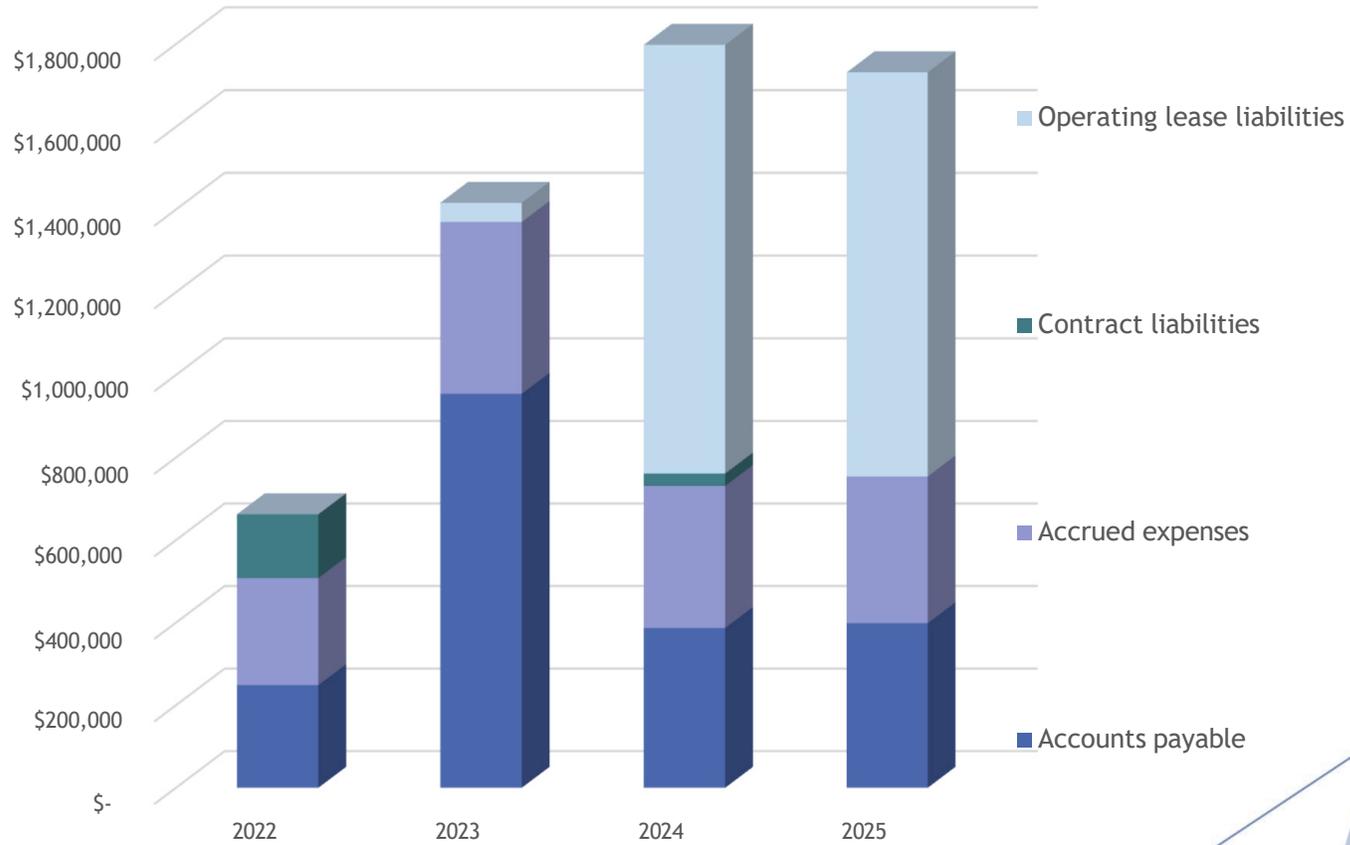
- ▶ Draft - Audited Financial Statements
- ▶ Draft - Auditor Communications Letter
 - Exhibit I - Adjusting Journal Entry Report
 - Exhibit II - Proposed Journal Entry Report

Assets*

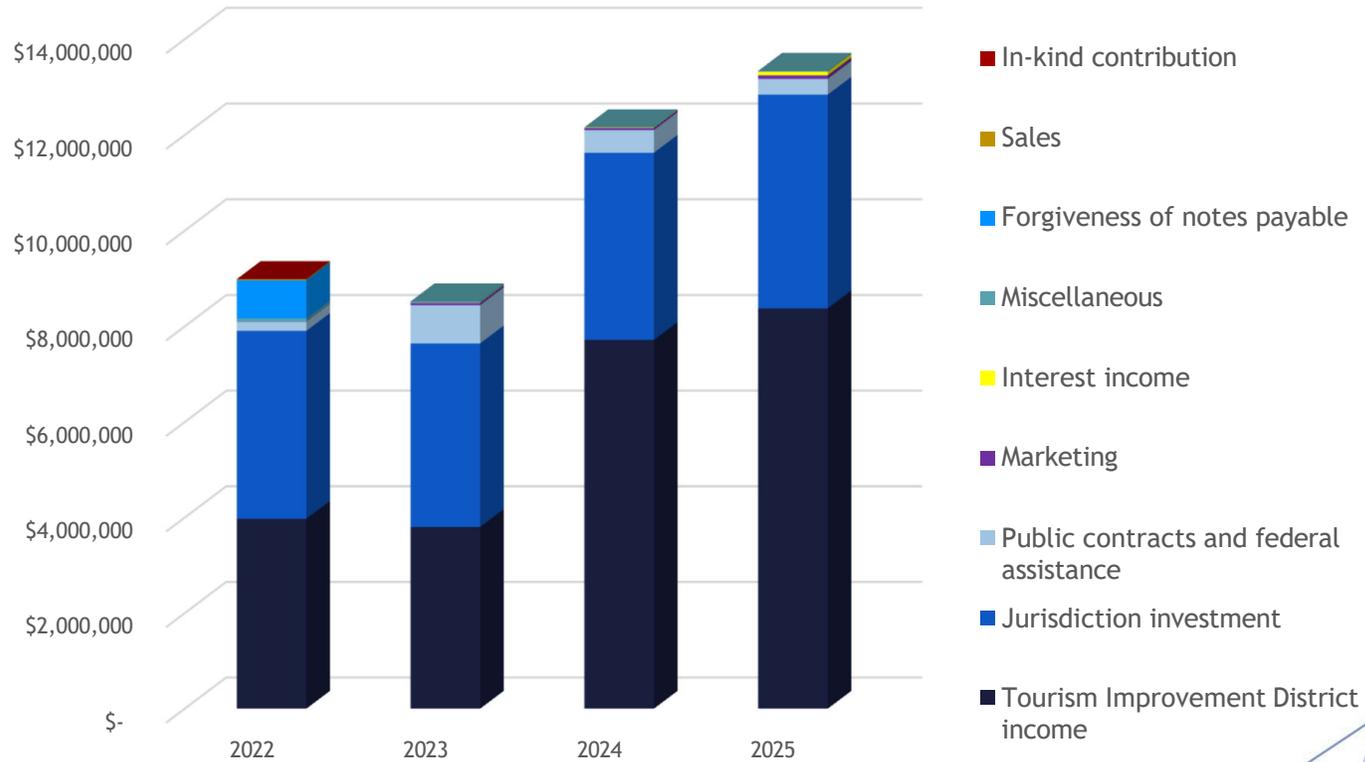
As of June 30



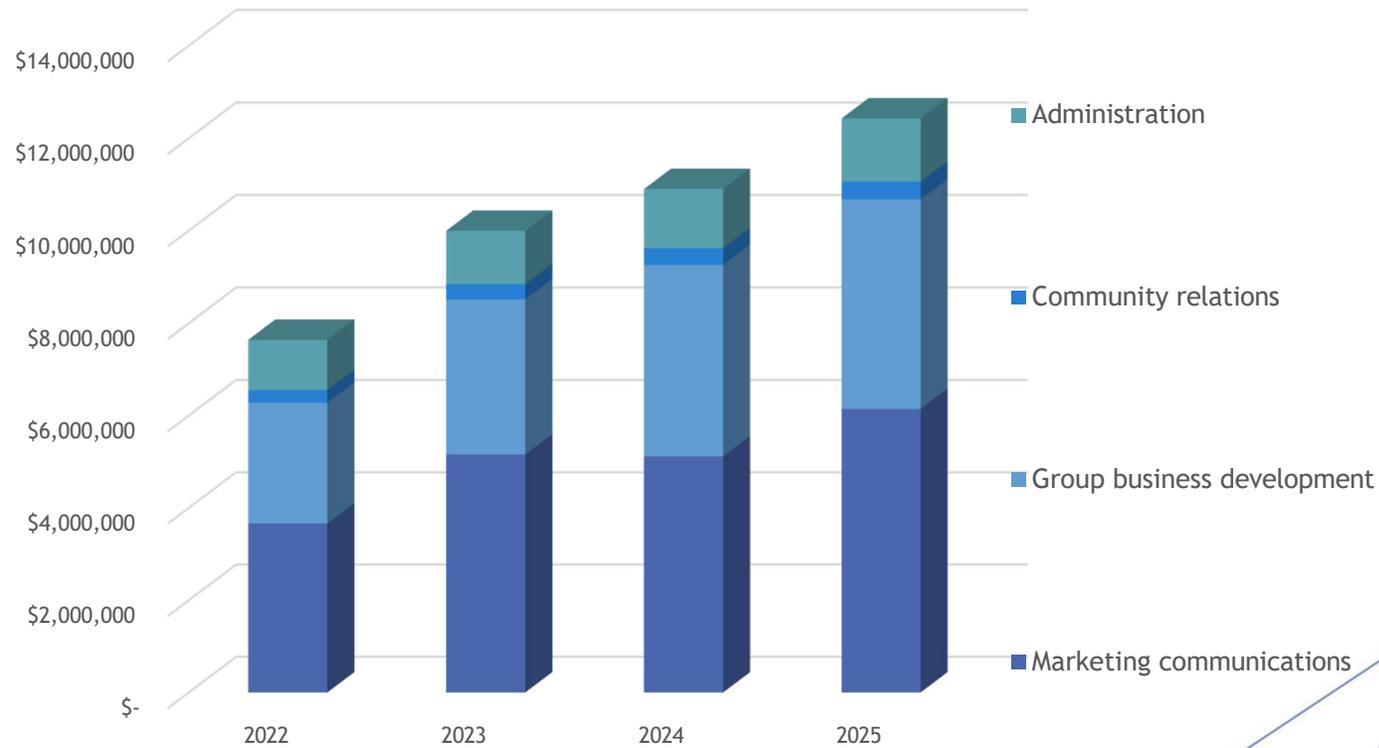
Liabilities* as of June 30th



Revenue for the years ended June 30th



Functional expenses for the years ended June 30th



REGULAR AGENDA

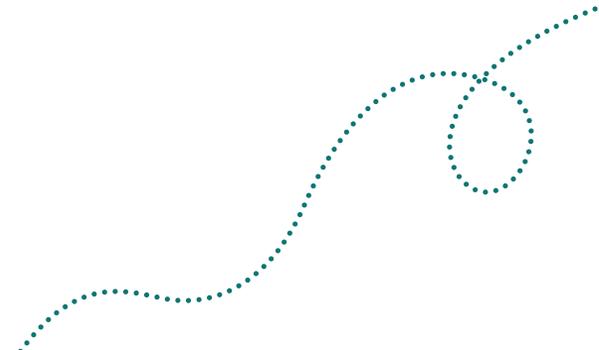
B. 2024 IRS FORM 990 REVIEW



2024 IRS FORM 990 Review



Jarrold Penner, CPA



REGULAR AGENDA

C. FIRST QUARTER (2025-26) FINANCIAL REVIEW





Finance & Admin Updates

Software Updates

- BoardEffect software is now in use for Board meetings. Starting in January the platform will also be used for Committee meetings.
- Currently reviewing budgeting software platforms for potential integration with Intacct.

Banking Updates

- Closing legacy Mechanics Bank account and moving funds to Pacific Valley bank to receive zero fee on renewal of line of credit.
- 

See Monterey Income Statement and Variance Notes For the Three Months Ending September 30, 2025

All \$ in \$1,000

	YTD Actuals	Budget YTD vs Actuals YTD			Prior Year to Date			Annual Budget
Revenue	Actuals	Budget	Variance	% Chg	PY	Variance	% Chg	
TID Revenue	\$2,395.0	2,617.9	-222.8	-9%	2,028.0	367.1	18%	9,227.5
Jurisdiction Investment	\$1,622.0	1,730.9	-108.8	-6%	1,637.8	-15.7	-1%	4,468.4
Private Revenue	\$34.4	29.6	4.7	16%	10.4	24.0	231%	93.8
Total Revenue	\$4,051.4	\$4,378.4	-\$326.9	-7%	\$3,676.2	\$375.3	10%	\$13,789.7

Revenue Source	YTD Actuals	Variance vs Forecast	Comments
TID	2,395.0	-222.8	Timing of payments and revenue recognition resulted in a variance between actual and budgeted figures.
Jurisdiction Investment	1,622.0	-108.8	Timing of payments from the City of Monterey.
Private Revenue	34.4	4.7	Sales Co-op revenue exceeded expectations.

See Monterey

Income Statement and Variance Notes

For the Three Months Ending September 30, 2025

Marketing Expense	YTD Actuals	Budget	Variance	% Chg	PY	Variance	% Chg	Annual Budget
Leisure Marketing	\$1,155.7	1,623.0	-467.2	-29%	1,303.1	-147.3	-11%	3,401.4
International Marketing	\$23.7	18.0	5.7	32%	45.7	-22.0	-48%	240.1
Luxury Marketing	\$4.6	7.5	-2.9	-38%	69.1	-64.5	-93%	477.4
Public Relations	\$20.5	44.1	-23.6	-53%	23.9	-3.4	-14%	364.5
Agency Fees	\$116.4	116.4	0.0	0%	93.8	22.6	24%	456.5
Marketing Operations	\$190.1	155.8	34.3	22%	286.6	-96.5	-34%	673.9
Total Marketing Expense	\$1,511.1	\$1,964.8	-\$453.7	-23%	\$1,822.1	-\$311.0	-17%	\$5,613.7

Marketing Programs	YTD Actuals	Variance vs Budget	Comments
Leisure Marketing	1,155.7	-467.2	Invoice timing- Laguna Seca partnership (\$20k) and (\$175k) Aquarium partnership will process in October. Production for Jurisdiction identities (\$120k) and reallocated fall digital media spend to support M1000 and Art Tourism programming (\$195K) moved to the spring.
International Marketing	23.7	5.7	Timing of travel and registration costs for future media events and missions in October (BUSA Travel Week) and February (VCA Mexico Mission).
Public Relations	20.5	-23.6	\$25k for Food Beast partnership not executed due to team bandwidth constraints.
Marketing Operations	190.1	34.3	SMARI invoice (\$44k) budgeted in June expensed in July resulting in FY variance. Small variance across many items, none of which are individually significant.

Q1 AND Q2 MARKETING BUDGET IMPLICATIONS

Marketing budget Impacts	Amount	Notes
Q1 Variance	\$(453,700)	
Invoice timing variance, paid in Q2	\$195,500	Laguna Seca(20.5k), MBA Partnership (175k)
Total underspend from Q1	\$(258,200)	Video Shoot(118k), Reallocated media spend (140k)
Q2 Marketing Budget	\$1,249,212	
Q2 Budget reductions	\$(169,625)	Video Shoot (49k, timing), Virtuoso Campaign (35k, timing) and Influencer Hosting (25k, reforecast), Holiday Promotion (25k, reforecast), Email Mktg reboot (35K, TBD)
Q2 Budget additions	\$18,000	Kick off Monterey 1,000 and Arts Tourism
Q2 Anticipated actual spend	\$1,097,587	Primarily media.
Q2 Budget underspend	\$(151,625)	To be used for Monterey 1000, Art Tourism Initiative
Q1 & Q2 Budget underspend	\$(409,825)	Will be spent on Video Production, plus new/unbudgeted Hwy 1 Reopening/New Chicago Flight

See Monterey Income Statement and Variance Notes

For the Three Months Ending September 30, 2025

	YTD Actuals	Budget	Variance	% Chg	PY	Variance	% Chg	Annual Budget
Business Development								
BD Programs	\$31.6	30.0	1.6	5%	50.4	-18.9	-37%	120.4
Group Events	\$167.1	262.9	-95.8	-36%	132.8	34.3	26%	1,319.2
Leisure Events	\$48.5	70.6	-22.1	-31%	53.1	-4.6	-9%	392.9
Meeting Incentives	\$0.0	0.0	0.0	NA	0.0	0.0	NA	100.0
Group Marketing	\$256.1	429.2	-173.1	-40%	896.4	-640.3	-71%	271.4
BD Operations	\$19.3	36.2	-16.9	-47%	106.8	-87.5	-82%	104.8
Total Business Development	\$522.7	\$829.0	-\$306.3	-37%	\$1,239.7	-\$717.0	-58%	\$2,308.7

Business Development Programs	YTD Actuals	Variance vs Budget	Comments
Group Events	167.1	-95.8	Timing of invoice - All Things Meeting events (\$15). Savings from Concours FAM (\$16.5) will be used for Maritz/BCD FAMs. Pushed event spending waiting for new BDE to start (\$20). Several strategic partnerships paid in last fiscal (\$45) redirect at the reforecast.
Leisure Events	48.5	-22.1	Virtuoso & VCA Lux dates moved. (\$12.5) misc timing of FAMs (\$8).
Group Marketing	256.1	-173.1	Timing of group media (SMERF, C-suite campaigns) pushed into 2nd quarter -will spend to budget. Some IMEX marketing costs budgeted but not yet realized.
BD Operations	19.3	-16.9	Savings on BD team sales kickoff (\$4) with added support from partners. Waiting for new BDE to activate memberships (\$7) Overall Savings in T&E (\$5).

See Monterey Income Statement and Variance Notes

For the Three Months Ending September 30, 2025

Community Relations	YTD Actuals	Budget	Variance	% Chg	PY	Variance	% Chg	Annual Budget
CR Programs	\$60.7	76.7	-16.0	-21%	50.2	10.5	21%	96.0
Visitor Services	\$3.2	6.7	-3.4	-51%	5.7	-2.4	-43%	14.9
CR Operations	\$0.7	0.9	-0.2	-24%	7.5	-6.9	-91%	11.8
Total Community Relations	\$64.6	\$84.3	-\$19.7	-23%	\$63.4	\$1.1	2%	\$122.7

Community Relations Programs	YTD Actuals	Variance vs Budget	Comments
CR Programs	60.7	-16.0	Annual Meeting savings (\$4k). Director of Community Relations on maternity leave delayed spending on MBEP membership (\$5k) and KMBY/radio promotion (\$5k).
Visitor Services	3.2	-3.4	Lower-than-anticipated expenses for the period with Director of Community Relations on maternity leave.

See Monterey Income Statement and Variance Notes

For the Three Months Ending September 30, 2025

Administration	YTD Actuals	Budget	Variance	% Chg	PY	Variance	% Chg	Annual Budget
Business Operations	\$65.2	68.7	-3.4	-5%	69.5	-4.2	-6%	275.1
HR/Legal	\$16.1	109.0	-92.9	-85%	34.5	-18.5	-54%	207.9
Accounting/Finance	\$14.4	20.2	-5.7	-28%	4.0	10.4	260%	92.5
IT	\$22.7	24.5	-1.8	-7%	31.3	-8.6	-27%	98.7
Governance	\$13.1	15.0	-1.9	-12%	7.9	5.2	66%	82.0
Other Administration	\$22.9	38.0	-15.1	-40%	23.1	-0.2	-1%	99.7
Computer/Software	\$13.1	28.5	-15.4	-54%	51.1	-38.0	-74%	107.7
Furniture/Fixtures	\$0.8	2.0	-1.2	-59%	0.0	0.8	NA	18.4
Total Administration	\$168.4	\$305.8	-\$137.4	-45%	\$221.4	-\$53.0	-24%	\$981.8

Admin Programs	YTD Actuals	Variance vs Budget	Comments
HR/Legal	16.1	-92.9	\$75k budgeted for legal expenses associated with vehicle claim not used. Legal contract review less than anticipated (\$12k).
Accounting/Finance	14.4	-5.7	Audit retainer fee lower than prior years (\$4k), reduced banking fees (\$1.8k).
Governance	13.1	-1.9	Meeting space budgeted, Zoom used.
Other Administration	22.9	-15.1	Underspent in professional development (\$7.5k) and travel (\$6k) with funds expected to be utilized later in the year.
Computer/Software	13.1	-15.4	Accounting software savings (\$5k) New computers purchased in June ahead of anticipated PC demand from Windows 11 rollout (\$6k).
Furniture/Fixtures	0.8	-1.2	Phase II office enhancements will take place in October/November.

See Monterey

Income Statement and Variance Notes

For the Three Months Ending September 30, 2025

	YTD Actuals	YTD Budget	Variance	% Chg	PY	Variance	% Chg	Annual Budget
Total Talent	\$755.0	800.8	-45.8	-6%	1,001.5	-246.6	-25%	3,958.8
Marketing								
Communications	\$1,511.1	1,964.8	-453.7	-23%	1,822.1	-311.0	-17%	5,613.7
Business Development	\$522.7	829.0	-306.3	-37%	1,239.7	-717.0	-58%	2,308.7
Community Relations	\$64.6	84.3	-19.7	-23%	63.4	1.1	2%	122.7
General & Administration	\$168.4	305.8	-137.4	-45%	221.4	-53.0	-24%	981.8
Total Expenses	\$3,021.7	\$3,984.6	-\$962.9	-24%	\$4,348.1	-\$1,326.4	-31%	\$12,985.7

	YTD Actuals	YTD Budget	Variance	% Chg	PY	Variance	% Chg	Annual Budget
Net Retained								
Revenue	4,051.4	4,378.4	-326.9	-7%	3,676.2	375.3	10%	13,789.7
Expenses	3,021.7	3,984.6	-962.9	-24%	4,348.1	-1,326.4	-31%	12,985.7
Net Retained	\$1,029.7	\$393.8	\$636.0	162%	-\$672.0	\$1,701.7	NA	\$804.0

Expenses

	YTD Actuals	YTD Budget	Variance	% Chg	PY	Variance	% Chg	Annual Budget
Talent Expense								
Salary	\$604.3	675.1	-70.7	-10%	799.7	-195.4	-24%	2,809.3
Incentive	\$21.3	0.0	21.3	NA	28.7	-7.4	-26%	408.7
Benefits	\$83.5	79.5	4.0	5%	113.0	-29.6	-26%	383.0
Taxes	\$45.8	46.3	-0.4	-1%	60.1	-14.3	-24%	357.8
Total Talent Expense	\$755.0	\$800.8	-\$45.8	-6%	\$1,001.5	-\$246.6	-25%	\$3,958.8

	YTD Actuals	Variance vs Budget	Comments
Talent	755.0	-45.8	Staff Departures - Marliese (6/30), Lauren (7/8), Marci (9/8), Alyssa (LOA 8/19)

REGULAR AGENDA

D. FINANCIAL POLICY RECOMMENDATION



FINANCIAL POLICY CHANGE

Receipt Required Threshold

Recommend increasing the threshold for requiring a receipt in an expense report from **\$5 to \$25**.

This adjustment will reduce administrative burden for minor expenses while preserving oversight for more substantial transactions.

Supporting Note: the IRS does not require receipts for business expenses under \$75.

Expense Report Submission

Recommend extending the deadline for submitting expense reports at the end of the statement period from **two business days to four business days**.

This will provide staff with additional flexibility while maintaining timely financial reporting.



GOOD OF THE
ORDER



NEXT MEETING OF
THE COMMITTEE:
JANUARY 23, 2026