
SANTA CRUZ COUNTY

C A L I F O R N I A
SANTA CRUZ COUNTY TOURISM MARKETING DISTRICT
ANNUAL REPORT – FISCAL YEAR 2023/2024

TO: SANTA CRUZ COUNTY BOARD OF SUPERVISORS

FROM: VISIT SANTA CRUZ COUNTY – OWNER’S ASSOCIATION FOR THE SANTA CRUZ COUNTY TOURISM MARKETING DISTRICT (TMD)

SUBJECT: TOURISM MARKETING DISTRICT ANNUAL REPORT FOR FISCAL YEAR ENDING 2023/2024

DATE: APRIL 2025

Please find the following attached:

- 1) Budget for FY (2023/2024) and current FY (2024/2025) for the Santa Cruz County Tourism Marketing District
- 2) Year-end financial statement 2023/2024
- 3) Financial Audit 2023/2024
- 4) The 2023/2024 Visit Santa Cruz County Board of Directors roster
- 5) Complete list of lodging properties that operated within the TMD FY 2023/2024
- 6) Copy of current Marketing and Business Plan

District Management Plan Reporting Requirements:

- 1) Proposed changes of boundaries: None
- 2) Estimate of the cost of providing improvements: See **Addendum 1**, Budget for 2023/24 and Budget for 2024/25.
- 3) Method and basis of levying: TMD is collected by the governmental jurisdiction in which any given lodging property is located and operates. The assessment rates for the TMD are based on each lodging property’s Revenue Per Available Room (RevPAR). There are four tiers for FY 2023/2024: \$2.15, \$2.80, \$3.15, and \$4.05
- 4) Year-end financial statements indicating a carryover for fiscal year 2023/2024 of \$31,192. See **Addendum 2**, the TMD year-end financial statement
- 5) Completed audit, 2023/2024, see **Addendum 3**

Additional Information:

- A. See **Addendum 4** for a list of the 2023/2024 VSCC Board of Directors.
- B. Current list of lodging businesses as of June 30, 2024 within the district: Any lodging facility operating within the County of Santa Cruz is included in the TMD. See **Addendum 5** for a current list of lodging properties that operate within the TMD.
- C. Improvements and activities to be provided: Please see **Addendum 6**, Marketing and Business Plan.

2023/24 and 2024/25 Budgets

REVENUE

	2023/24 Approved	2023/24 Actual	2024/25 Approved
TMD Assessment Revenue			
4111 Santa Cruz City TMD	\$1,719,496	\$1,790,079	\$1,798,415
4112 Santa Cruz County TMD	\$724,324	\$680,611	\$732,925
4113 City of Capitola TMD	\$235,184	\$264,902	\$241,407
4114 City of Scotts Valley TMD	\$263,281	\$315,382	\$255,966
4115 City of Watsonville TMD	\$336,477	\$282,598	\$257,747
Sub Total TMD Funding	\$3,278,762	\$3,333,571	\$3,286,460
Private Sector			
4201 Co-op Direct Advertising	\$0	\$0	\$0
4202 VSCC Publication Ad Sales	\$0	\$5,011	\$100,000
4203 Co-op Marketing Misc.	\$14,100	\$12,345	\$15,600
4204 Co-op Direct Advertising- Online	\$0	\$0	\$0
4205 VSCC Website Advertising	\$30,000	\$17,000	\$30,000
4208 Digital Listings Advertising	\$0	\$0	\$0
4210 VSCC Hosted Meetings	\$0	\$0	\$0
Sub Total Private Sector	\$44,100	\$34,356	\$145,600
Other Revenue			
4301 Interest Income	\$7,200	\$22,557	\$8,500
4303 Miscellaneous Sales	\$0	\$0	\$0
4304 Miscellaneous Income	\$0	\$3,342	\$0
Sub Total Other Revenue	\$7,200	\$25,900	\$8,500
Audit- Marketing Research and Contingency Reserves			
4501 Contingency Reserve Accrual	-\$8,197	-\$8,334	-\$8,216
4502 Audit Reserve Accrual	\$0	\$0	\$0
4503 Marketing Research Accrual	\$0	\$0	\$0
4504 Properties Audit Reserve Accrual	-\$16,394	-\$16,668	-\$16,432
Sub Total Audit and Contingency Reserve	-\$24,591	-\$25,002	-\$24,648
TOTAL REVENUE	\$3,305,471	\$3,368,825	\$3,415,912

2023/24 and 2024/25 Budgets

EXPENDITURES

	2023/24 Approved	2023/24 Actual	2024/25 Approved
Operations			
5101 Computer Equipment Purchase	\$14,500	\$4,596	\$14,500
5102 Computer Services and Supplies	\$50,000	\$49,668	\$50,000
5103 Office Equipment Lease & Service	\$19,434	\$7,098	\$17,966
5104 Rent & Storage- Marketing (new in 2024/25)			\$33,048
5105 Rent/Storage	\$62,950	\$62,157	\$104,819
5106 Utilities	\$7,200	\$6,576	\$17,817
5107 Repairs & Maintenance	\$2,000	\$0	\$2,000
5108 Telephone - General	\$14,400	\$13,190	\$14,400
5109 Janitorial	\$5,760	\$2,154	\$6,336
5114 Audit Fees	\$11,000	\$10,000	\$11,000
5115 Legal & Accounting	\$50,000	\$41,789	\$40,000
5116 Insurance	\$13,637	\$8,954	\$13,637
5117 Office Supplies	\$7,500	\$6,854	\$7,500
5118 Postage Operations	\$2,250	\$1,751	\$2,362
5119 Public Notice Announcements	\$3,000	\$783	\$1,000
5120 Mileage & Travel	\$2,500	\$2,334	\$2,625
5122 Memberships & Subscriptions	\$1,400	\$1,139	\$1,400
5123 Professional Development	\$22,350	\$23,847	\$17,760
5125 Credit Card Merchant Fees	\$3,000	\$811	\$5,000
5126 Interest & Bank Charges	\$700	\$754	\$1,200
5127 Tax & License	\$785	\$1,833	\$785
5128 Accounting Subscriptions	\$6,960	\$6,751	\$7,410
5130 Bad Debts	\$0	\$0	\$0
TOTAL OPERATIONS	\$301,326	\$253,036	\$372,565
Administration / Personnel			
5210 Marketing & Services Salaries	\$799,852	\$844,478	\$844,673
5216 Employee Benefits	\$105,042	\$101,972	\$126,934
5230 Administrative Salaries	\$252,840	\$212,194	\$247,149
5240 Retirement Fund-Employer Contrib.	\$36,178	\$36,678	\$45,859
TOTAL ADMIN / PERSONNEL	\$1,193,912	\$1,195,322	\$1,264,615
Tourism Marketing: Leisure			
5301 VSCC Publications	\$93,565	\$89,086	\$192,415
5302 Direct/Co-op Advertising	\$755,800	\$760,487	\$758,000
5305 Marketing Printed Matter	\$18,500	\$20,385	\$22,000
5309 Postage Tourism Promotion	\$15,000	\$2,186	\$14,750
5311 Telephone Tourism Promotion	\$4,800	\$6,044	\$4,800
5312 Educational Seminar	\$0	\$0	\$0
5317 Tourism Memberships	\$62,000	\$65,372	\$68,322
5318 Local Meetings	\$5,000	\$309	\$2,000
5319 VSCC Website	\$80,000	\$80,204	\$80,000
5323 Marketing Contract Services	\$144,000	\$167,395	\$100,300
5324 Brand Photography/ Video Library	\$65,000	\$65,000	\$85,000
5360 On-Line Contract Services/Media Buys	\$45,200	\$8,496	\$10,200
TOTAL TOURISM MARKETING: LEISURE	\$1,288,865	\$1,264,962	\$1,337,787

2023/24 and 2024/25 Budgets

	2023/24 Approved	2023/24 Actual	2024/25 Approved
Tourism Marketing: Social Media			
5366 Social Media Advertising- Leisure	\$47,000	\$48,046	\$47,000
5367 Social Media Video Content	\$5,000	\$5,000	\$5,000
5368 Blog Content	\$20,000	\$19,995	\$15,000
5369 Social Media Advertising- Meetings	\$4,000	\$4,000	\$4,000
TOTAL TOURISM MARKETING: SOCIAL MEDIA	\$76,000	\$77,041	\$71,000
Communications - PR			
5372 Promotional Amenities	\$27,000	\$26,629	\$26,000
5373 Still Photography	\$5,000	\$4,828	\$5,000
5374 Familiarization Tour Expense - Media	\$10,000	\$10,485	\$8,000
5375 Media Trade Shows	\$26,500	\$23,401	\$38,000
5376 Media Contract Service	\$13,000	\$13,039	\$15,000
5377 Communications Misc.	\$1,000	\$1,719	\$1,000
TOTAL COMMUNICATIONS - PR	\$82,500	\$80,100	\$93,000
Film Promotion			
5401 Film Membership Subscriptions	\$1,500	\$1,240	\$1,500
5403 Film Scouting	\$200	\$45	\$200
TOTAL FILM PROMOTION	\$1,700	\$1,285	\$1,700
Community Relations			
5501 Annual Retreat	\$5,000	\$0	\$1,000
5502 VSCC Hosted Meetings Expense	\$2,000	\$327	\$2,000
5504 Meetings, Functions & Retention	\$14,000	\$13,181	\$14,000
5505 Community Relations Printed Matter	\$2,000	\$0	\$1,000
5506 Community Awareness Promotions	\$2,500	\$0	\$1,000
TOTAL COMMUNITY RELATIONS	\$25,500	\$13,508	\$19,000
Contract Services			
5601 Research Marketing	\$52,000	\$25,500	\$0
5602 Research - Occupancy Report	\$10,000	\$8,045	\$10,500
5603 Consulting Services	\$30,000	\$27,341	\$10,000
TOTAL CONTRACT SERVICES	\$92,000	\$60,887	\$20,500
Corporate Conferences/Group			
5702 E-Marketing - Quarterly Newsletter	\$12,000	\$6,844	\$2,000
5703 FAM Tour Expenses - Group	\$18,000	\$16,982	\$23,000
5704 Photography and Video Production	\$0	\$0	\$0
5705 Trade Show Fees	\$40,100	\$46,243	\$46,600
5706 Direct Advertising - Group Marketing Direct Advertising	\$50,230	\$50,295	\$50,230
5708 Trade Show Booth Materials	\$500	\$2,977	\$500
5709 Group Marketing Website Enhancements	\$4,000	\$1,265	\$2,000
5710 General Group Marketing	\$4,450	\$4,428	\$4,450
TOTAL CORPORATE CONFERENCES/GROUPS	\$129,280	\$129,033	\$128,780

2023/24 and 2024/25 Budgets

	2023/24 Approved	2023/24 Actual	2024/25 Approved
International - Tour and Travel			
5801 FAM Tours - Tour and Travel	\$5,000	\$7,213	\$5,000
5802 Outside Sales Contract	\$0	\$0	\$0
5803 Tour and Travel Trade Shows	\$25,100	\$25,253	\$25,100
5804 Website Expansion - U.K. Section	\$9,000	\$2,391	\$1,500
5805 Tour and Travel Contract Services	\$0	\$0	\$0
5810 Tour and Travel - Misc.	\$42,000	\$45,556	\$42,000
5811 Collateral Materials	\$500	\$420	\$500
5812 Direct Advertising	\$0	\$0	\$0
TOTAL INTERNATIONAL - TOUR AND TRAVEL	\$81,600	\$80,833	\$74,100
Other TMD			
7001 Jurisdictional Admin Fees (Cities and County)	\$32,788	\$33,348	\$32,865
7002 Operations Reserve	\$0	\$0	\$0
TOTAL - OTHER TMD	\$32,788	\$33,348	\$32,865
TOTAL EXPENDITURES	\$3,305,471	\$3,189,356	\$3,415,912

Visit Santa Cruz County
Balance Sheet
As of June 30, 2024

ADDENDUM 2

	<u>Jun 30, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1005 · Cash in SCCB - Checking	249,804.84
1006 · Cash in SCCB- Promontory Ntwrk	595,633.21
1007 · Cash in CDs- SCCB	408,271.53
1009 · Cash in BFCU-Savings	7.63
1003 · Cash in BFCU - Savings II	5.00
1010 · Cash in BFCU-CD	258,062.10
Total Checking/Savings	<u>1,511,784.31</u>
Accounts Receivable	
1200 · Accounts Receivable	958,271.96
Total Accounts Receivable	<u>958,271.96</u>
Other Current Assets	
1602 · Prepaid Insurance	13,049.84
1605 · Prepaid Workers' Comp	4,402.00
1608 · Petty Cash	100.00
1700 · Rent and Security Deposits	3,968.00
Total Other Current Assets	<u>21,519.84</u>
Total Current Assets	<u>2,491,576.11</u>
Fixed Assets	
1900 · Office Furniture & Equipment	19,133.20
1901 · Computer Equipment	49,030.27
1920 · <Accumulated Depreciation>	-68,162.78
1902 · Computer Ept-TMD	82,522.93
1921 · <Accum Deprec - TMD>	-76,632.36
Total Fixed Assets	<u>5,891.26</u>
TOTAL ASSETS	<u><u>2,497,467.37</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	109,747.18
Total Accounts Payable	<u>109,747.18</u>
Credit Cards	
2005 · American Express Payable	14,982.73
Total Credit Cards	<u>14,982.73</u>
Other Current Liabilities	
2012 · Accrued TMD Contingency Reserve	29,256.05
2014 · Accrued Properties Audit Reserv	31,979.25
2026 · Accrued Payroll Payable-TMD	23,192.66
2030 · Workers' Comp Payable	1,994.29
2103 · Unearned Revenue - Misc	4,000.00
2107 · Unearned Rev-Restrctd TMD Funds	200,000.00
2108 · TMD Unearned Revenue Reserve	1,172,810.48

Visit Santa Cruz County
Balance Sheet
As of June 30, 2024

ADDENDUM 2

	Jun 30, 24
2201 · PTO Accrual-TMD	52,190.93
Total Other Current Liabilities	1,515,423.66
Total Current Liabilities	1,640,153.57
Total Liabilities	1,640,153.57
Equity	
3100 · General Fund Reserve	818,172.97
3200 · Retained Fund - Fixed Assets	12,544.34
Net Income	26,596.49
Total Equity	857,313.80
TOTAL LIABILITIES & EQUITY	2,497,467.37

Visit Santa Cruz County
TMD Statement of Activities
June 2024

ADDENDUM 2

	<u>Jun 24</u>	<u>Budget</u>	<u>Jul '23 - Jun 24</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense					
Income					
4110 · TMD 1 Assessment Revenue					
4111 · Santa Cruz City-TMD	483,208.03	399,064.20	1,790,079.11	1,719,496.00	1,719,496.00
4112 · Santa Cruz County-TMD	193,515.28	184,096.75	680,611.03	724,324.00	724,324.00
4113 · City of Capitola-TMD	69,070.00	55,026.82	264,901.89	235,184.00	235,184.00
4114 · City of Scotts Valley-TMD	86,106.60	64,328.54	315,381.50	263,281.00	263,281.00
4115 · City of Watsonville-TMD	93,439.45	83,093.39	282,597.55	336,477.00	336,477.00
4110 · TMD 1 Assessment Revenue - Other	-204,897.38	0.00	-204,897.38	0.00	0.00
Total 4110 · TMD 1 Assessment Revenue	720,441.98	785,609.70	3,128,673.70	3,278,762.00	3,278,762.00
4300 · OTHER REVENUE					
4304 · Miscellaneous Income	0.00	0.00	3,342.30	0.00	0.00
Total 4300 · OTHER REVENUE	0.00	0.00	3,342.30	0.00	0.00
4500 · Audit/Conting/Research Reserves					
4501 · Contingency Reserve Accrual	-5,517.84	-5,269.83	-8,333.93	-8,197.00	-8,197.00
4502 · Audit Reserve Accrual	-7,183.91	-5,269.83	0.00	0.00	0.00
4503 · Mktg Research Reserve Accrual	-7,571.41	-5,269.83	0.00	0.00	0.00
4504 · Properties Audit Resrve Accrual	-11,035.68	-10,539.66	-16,667.86	-16,394.00	-16,394.00
Total 4500 · Audit/Conting/Research Reserves	-31,308.84	-26,349.15	-25,001.79	-24,591.00	-24,591.00
Total Income	689,133.14	759,260.55	3,107,014.21	3,254,171.00	3,254,171.00
Expense					
5100 · OPERATIONS					
5101 · Computer Equipment Purchase	2,177.91	0.00	4,595.72	14,500.00	14,500.00
5102 · Computer Service & Supplies	4,212.61	4,163.00	49,667.54	50,000.00	50,000.00
5103 · Office Eqpt Lease & Service	2,990.78	1,038.00	7,097.97	19,434.00	19,434.00
5105 · Rent & Storage	5,375.00	5,245.83	62,157.18	62,950.00	62,950.00
5106 · Utilities	611.54	600.00	6,575.61	7,200.00	7,200.00
5107 · Repairs & Maintenance	0.00	0.00	0.00	2,000.00	2,000.00
5108 · Telephone - General	1,060.10	1,200.00	13,190.43	14,400.00	14,400.00
5109 · Janitorial Expense	184.00	480.00	2,154.00	5,760.00	5,760.00
5114 · Audit Fees	0.00	0.00	10,000.00	11,000.00	11,000.00
5115 · Legal and Accounting	7,586.00	4,166.63	41,788.50	50,000.00	50,000.00
5116 · Insurance	0.00	0.00	8,953.51	13,637.00	13,637.00
5117 · Office Supplies	588.20	625.00	6,853.84	7,500.00	7,500.00
5118 · Postage-Operations	0.00	130.00	1,750.50	2,250.00	2,250.00
5119 · Public Notice Announcements	410.69	250.00	782.69	3,000.00	3,000.00
5120 · Mileage & Travel	127.74	208.37	2,333.84	2,500.00	2,500.00

Visit Santa Cruz County
TMD Statement of Activities
June 2024

ADDENDUM 2

	<u>Jun 24</u>	<u>Budget</u>	<u>Jul '23 - Jun 24</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5122 · Memberships & Subscriptions	0.00	41.00	1,138.68	1,400.00	1,400.00
5123 · Professional Development	0.00	0.00	23,847.13	22,350.00	22,350.00
5126 · Interest & Bank Charges	104.00	60.25	754.46	700.00	700.00
5127 · Tax & License	0.00	0.00	1,832.62	785.00	785.00
5128 · Accounting Subscriptions	493.83	580.00	6,750.68	6,960.00	6,960.00
5140 · Depreciation & Amortizatn Exp	6,653.08	0.00	6,653.08	0.00	0.00
Total 5100 · OPERATIONS	32,575.48	18,788.08	258,877.98	298,326.00	298,326.00
5200 · ADMINISTRATION/PERSONNEL					
5210 · Marketing & Services Salaries	70,894.14	59,667.80	692,768.91	715,942.67	715,942.67
5217 · Accrued Marketing Payroll Exp	10,183.64	0.00	10,183.64	0.00	0.00
5211 · PR Tax FICA - Mktg	4,420.22	3,700.34	42,984.71	44,389.36	44,389.36
5212 · PR Tax MEDI - Mktg	1,033.75	865.21	10,052.86	10,381.17	10,381.17
5213 · PR Tax SUTA - Mktg	0.00	0.00	847.36	12,341.79	12,341.79
5214 · PR Tax FUTA - Mktg	0.00	0.00	779.97	4,566.71	4,566.71
5215 · Workers' Comp Exp-Mktg	-2,834.49	596.67	1,953.37	7,159.43	7,159.43
5216 · Employee Benefits-Mktg & Srvc	652.90	7,665.00	75,559.41	78,421.00	78,421.00
5230 · Administrative Salaries	22,967.11	18,430.96	195,152.30	227,783.90	227,783.90
5237 · Accrued Admin Payroll Expense	794.14	0.00	794.14	0.00	0.00
5231 · PR Tax FICA - Admin	1,423.96	1,142.70	12,326.81	14,122.60	14,122.60
5232 · PR Tax MEDI - Admin	333.02	267.24	2,882.88	3,302.87	3,302.87
5233 · PR Tax SUTA - Admin	0.00	0.00	276.43	4,052.79	4,052.79
5234 · PR Tax FUTA - Admin	0.00	0.00	142.83	1,300.00	1,300.00
5235 · Workers' Comp Exp-Admin	-759.00	184.29	618.52	2,277.84	2,277.84
5236 · Employee Benefits-Admin	329.40	2,648.00	26,412.17	26,621.00	26,621.00
5240 · Retirement Fund-Employer Cont.	3,463.30	2,657.00	36,678.24	36,178.00	36,178.00
5251 · Accrued PTO Expense	16,881.40	0.00	16,881.40	0.00	0.00
5255 · General Fund Admin Offset	44.62	-860.00	-5,691.33	-5,130.00	-5,130.00
Total 5200 · ADMINISTRATION/PERSONNEL	129,828.11	96,965.21	1,121,604.62	1,183,711.13	1,183,711.13
5300 · TOURISM MKTG-LEISURE					
5301 · Publications	5,577.06	16,250.00	89,085.53	93,565.00	93,565.00
5302 · Direct & Co-op Advertising	83,729.17	34,606.00	760,486.85	755,800.00	755,800.00
5305 · Marketing Printed Matter	2,760.00	2,000.00	20,385.00	18,500.00	18,500.00
5309 · Postage - Tourism Promo	12.25	1,250.00	2,186.12	15,000.00	15,000.00
5311 · Telephone - Tourism Promo	525.50	435.45	6,043.57	4,800.00	4,800.00
5317 · Tourism Memberships	0.00	0.00	65,371.60	62,000.00	62,000.00
5318 · Local Meetings	12.93	300.00	308.99	5,000.00	5,000.00
5319 · VSCC Website	7,099.27	6,362.00	80,203.73	80,000.00	80,000.00

Visit Santa Cruz County
TMD Statement of Activities
June 2024

ADDENDUM 2

	<u>Jun 24</u>	<u>Budget</u>	<u>Jul '23 - Jun 24</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5323 · Marketing Contract Services	23,395.00	0.00	167,395.00	144,000.00	144,000.00
5324 · Brand Photography/Video Library	4,700.00	5,416.63	65,000.00	65,000.00	65,000.00
5360 · On-Line Conctrct Svc/Media Buys	1,416.00	850.00	8,496.00	45,200.00	45,200.00
Total 5300 · TOURISM MKTG-LEISURE	129,227.18	67,470.08	1,264,962.39	1,288,865.00	1,288,865.00
5365 · TOURISM MARKETING-SOCIAL MEDIA					
5366 · Social Media Advertising-Leisur	6,233.56	4,087.00	48,045.68	47,000.00	47,000.00
5367 · Social Media Video Content	245.00	1,250.00	5,000.00	5,000.00	5,000.00
5368 · Blog Content	3,050.00	1,674.00	19,995.00	20,000.00	20,000.00
5369 · Social Media Advertising-Mtgs	1,022.00	1,000.00	4,000.39	4,000.00	4,000.00
Total 5365 · TOURISM MARKETING-SOCIAL MEDIA	10,550.56	8,011.00	77,041.07	76,000.00	76,000.00
5370 · COMMUNICATIONS- PR					
5372 · Promotional Amenities	5,455.77	450.00	26,629.13	27,000.00	27,000.00
5373 · Still Photography	1,250.00	300.00	4,827.75	5,000.00	5,000.00
5374 · Familiarization Tour Exp-Media	3,046.73	2,500.00	10,485.09	10,000.00	10,000.00
5375 · Media Trade Shows	6,000.00	2,506.00	23,400.69	26,500.00	26,500.00
5376 · Media Tracking Contract Service	1,086.00	1,054.00	13,038.54	13,000.00	13,000.00
5377 · Communications Misc.	31.65	100.00	1,718.94	1,000.00	1,000.00
Total 5370 · COMMUNICATIONS- PR	16,870.15	6,910.00	80,100.14	82,500.00	82,500.00
5500 · COMMUNITY RELATIONS					
5501 · Annual Retreat	0.00	0.00	0.00	5,000.00	5,000.00
5502 · Hosted Meeting Expense	127.03	0.00	327.03	2,000.00	2,000.00
5505 · Com Rel Printed Matter	0.00	0.00	0.00	2,000.00	2,000.00
5506 · Community Awareness Promotions	0.00	0.00	0.00	2,500.00	2,500.00
Total 5500 · COMMUNITY RELATIONS	127.03	0.00	327.03	11,500.00	11,500.00
5600 · CONTRACT SERVICES					
5601 · Research Marketing	2,000.00	4,333.37	25,500.00	52,000.00	52,000.00
5602 · Research - Occupancy Report	8,045.26	0.00	8,045.26	10,000.00	10,000.00
5603 · Consulting Services	6,491.21	0.00	27,341.34	30,000.00	30,000.00
Total 5600 · CONTRACT SERVICES	16,536.47	4,333.37	60,886.60	92,000.00	92,000.00
5700 · CORPORATE CONFERENCES/GROUPS					
5702 · E-Marketing-Qtrly Newsletter	512.00	500.00	6,844.00	12,000.00	12,000.00
5703 · FAM Tour Expenses-Group	309.03	2,500.00	16,982.03	18,000.00	18,000.00
5705 · Trade Show Destination Booths	850.01	0.00	46,242.61	40,100.00	40,100.00
5706 · Group Market Direct Advertising	0.00	0.00	50,294.87	50,230.00	50,230.00
5708 · Trade Show Booth Materials	0.00	0.00	2,976.53	500.00	500.00
5709 · Grp Marketing Web Enhancements	0.00	2,000.00	1,265.00	4,000.00	4,000.00
5710 · General Group Marketing	0.00	0.00	4,427.73	4,450.00	4,450.00

Visit Santa Cruz County
TMD Statement of Activities
June 2024

ADDENDUM 2

	<u>Jun 24</u>	<u>Budget</u>	<u>Jul '23 - Jun 24</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Total 5700 · CORPORATE CONFERENCES/GROUPS	1,671.04	5,000.00	129,032.77	129,280.00	129,280.00
5800 · INTERNATIONAL-TOUR &TRAVEL(FIT)					
5801 · FAM Tours-Tour & Travel	-4,887.29	0.00	7,212.71	5,000.00	5,000.00
5803 · Tour & Travel Trade Shows	-129.05	0.00	25,253.21	25,100.00	25,100.00
5804 · Website Expansion-U.K. Section	0.00	0.00	2,391.13	9,000.00	9,000.00
5810 · Tour & Travel-Misc.	4,500.00	0.00	45,556.16	42,000.00	42,000.00
5811 · Collateral Materials	0.00	0.00	420.00	500.00	500.00
Total 5800 · INTERNATIONAL-TOUR &TRAVEL(FIT)	-516.34	0.00	80,833.21	81,600.00	81,600.00
7000 · OTHER TMD EXPENSE					
7001 · Juris. Admin Fee(Cities/County)	9,266.07	7,856.48	33,348.40	32,788.00	32,788.00
Total 7000 · OTHER TMD EXPENSE	9,266.07	7,856.48	33,348.40	32,788.00	32,788.00
Total Expense	<u>346,135.75</u>	<u>215,334.22</u>	<u>3,107,014.21</u>	<u>3,276,570.13</u>	<u>3,276,570.13</u>
Net Ordinary Income	<u>342,997.39</u>	<u>543,926.33</u>	<u>0.00</u>	<u>-22,399.13</u>	<u>-22,399.13</u>
Net Income	<u><u>342,997.39</u></u>	<u><u>543,926.33</u></u>	<u><u>0.00</u></u>	<u><u>-22,399.13</u></u>	<u><u>-22,399.13</u></u>

Visit Santa Cruz County
Condensed Statement of Activities
June 30, 2024

ADDENDUM 2

	2023-24 BUDGET	JUNE BUDGET	JUNE ACTUAL	YTD BUDGET	YTD ACTUAL	BUDG REMAINING
REVENUE						
Total 4110 · TMD ASSESSMENT REVENUE	3,278,762.00	785,609.70	720,441.98	3,278,762.00	3,128,673.70	150,088.30
Total 4200 · PRIVATE SECTOR	44,100.00	8,000.00	-4,000.00	44,100.00	34,356.00	9,744.00
Total 4300 · OTHER REVENUE	7,200.00	600.00	3,553.83	7,200.00	25,899.60	-18,699.60
Total 4500 · AUDIT & CONTING ACCRUALS	-24,591.00	-26,349.15	-31,308.84	-24,591.00	-25,001.79	410.79
TOTAL INCOME	3,305,471.00	767,860.55	688,686.97	3,305,471.00	3,163,927.51	141,543.49
EXPENSE						
Total 5100 · OPERATIONS	301,326.00	19,038.08	32,892.48	301,326.00	259,689.20	41,636.80
Total 5200 · ADMINISTRATION/PERSONNEL	1,193,912.00	98,283.94	129,982.11	1,193,912.00	1,136,644.01	57,267.99
Total 5300 · TOURISM MKTG - LEISURE	1,288,865.00	67,470.08	129,227.18	1,288,865.00	1,264,962.39	23,902.61
Total 5365 · TOURISM MKTG - SOC MEDIA	76,000.00	8,011.00	10,550.56	76,000.00	77,041.07	-1,041.07
Total 5370 · COMMUNICATIONS-PR	82,500.00	6,910.00	16,870.15	82,500.00	80,100.14	2,399.86
Total 5400 · FILM PROMOTION	1,700.00	50.00	0.00	1,700.00	1,284.75	415.25
Total 5500 · COMMUNITY RELATIONS	25,500.00	2,083.33	2,956.54	25,500.00	13,508.48	11,991.52
Total 5600 · CONTRACT SERVICES	92,000.00	4,333.37	16,536.47	92,000.00	60,886.60	31,113.40
Total 5700 · CORP CONFERENCES/GROUPS	129,280.00	5,000.00	1,671.04	129,280.00	129,032.77	247.23
Total 5800 · INT'L-TOUR & TRAVEL (FIT)	81,600.00	0.00	-516.34	81,600.00	80,833.21	766.79
Total 7000 · OTHER TMD EXPENSE	32,788.00	7,856.48	9,266.07	32,788.00	33,348.40	-560.40
TOTAL EXPENSE	3,305,471.00	219,036.28	349,436.26	3,305,471.00	3,137,331.02	168,139.98
NET INCOME	0.00	548,824.27	339,250.71	0.00	26,596.49	-26,596.49

Visit Santa Cruz County
Statement of Activities
June 2024

ADDENDUM 2

	Jun 24	Budget	\$ Over Budget	% of Budget	Jul '23 - Jun 24	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense									
Income									
4110 · TMD 1 Assessment Revenue									
4111 · Santa Cruz City-TMD	483,208.03	399,064.20	84,143.83	121.09%	1,790,079.11	1,719,496.00	70,583.11	104.11%	1,719,496.00
4112 · Santa Cruz County-TMD	193,515.28	184,096.75	9,418.53	105.12%	680,611.03	724,324.00	-43,712.97	93.97%	724,324.00
4113 · City of Capitola-TMD	69,070.00	55,026.82	14,043.18	125.52%	264,901.89	235,184.00	29,717.89	112.64%	235,184.00
4114 · City of Scotts Valley-TMD	86,106.60	64,328.54	21,778.06	133.85%	315,381.50	263,281.00	52,100.50	119.79%	263,281.00
4115 · City of Watsonville-TMD	93,439.45	83,093.39	10,346.06	112.45%	282,597.55	336,477.00	-53,879.45	83.99%	336,477.00
4110 · TMD 1 Assessment Revenue - Other	-204,897.38	0.00	-204,897.38	100.0%	-204,897.38	0.00	-204,897.38	100.0%	0.00
Total 4110 · TMD 1 Assessment Revenue	720,441.98	785,609.70	-65,167.72	91.71%	3,128,673.70	3,278,762.00	-150,088.30	95.42%	3,278,762.00
4200 · PRIVATE SECTOR									
4202 · Publication Ad Sales	0.00	0.00	0.00	0.0%	5,011.00	0.00	5,011.00	100.0%	0.00
4203 · Co-Op Marketing Miscellaneous	0.00	0.00	0.00	0.0%	12,345.00	14,100.00	-1,755.00	87.55%	14,100.00
4205 · Website Advertising	-4,000.00	8,000.00	-12,000.00	-50.0%	17,000.00	30,000.00	-13,000.00	56.67%	30,000.00
Total 4200 · PRIVATE SECTOR	-4,000.00	8,000.00	-12,000.00	-50.0%	34,356.00	44,100.00	-9,744.00	77.91%	44,100.00
4300 · OTHER REVENUE									
4301 · Interest Income	3,553.83	600.00	2,953.83	592.31%	22,557.30	7,200.00	15,357.30	313.3%	7,200.00
4304 · Miscellaneous Income	0.00	0.00	0.00	0.0%	3,342.30	0.00	3,342.30	100.0%	0.00
Total 4300 · OTHER REVENUE	3,553.83	600.00	2,953.83	592.31%	25,899.60	7,200.00	18,699.60	359.72%	7,200.00
4500 · Audit/Conting/Research Reserves									
4501 · Contingency Reserve Accrual	-5,517.84	-5,269.83	-248.01	104.71%	-8,333.93	-8,197.00	-136.93	101.67%	-8,197.00
4502 · Audit Reserve Accrual	-7,183.91	-5,269.83	-1,914.08	136.32%	0.00	0.00	0.00	0.0%	0.00
4503 · Mktg Research Reserve Accrual	-7,571.41	-5,269.83	-2,301.58	143.68%	0.00	0.00	0.00	0.0%	0.00
4504 · Properties Audit Resrve Accrual	-11,035.68	-10,539.66	-496.02	104.71%	-16,667.86	-16,394.00	-273.86	101.67%	-16,394.00
Total 4500 · Audit/Conting/Research Reserves	-31,308.84	-26,349.15	-4,959.69	118.82%	-25,001.79	-24,591.00	-410.79	101.67%	-24,591.00
Total Income	688,686.97	767,860.55	-79,173.58	89.69%	3,163,927.51	3,305,471.00	-141,543.49	95.72%	3,305,471.00
Expense									
5100 · OPERATIONS									
5101 · Computer Equipment Purchase	2,177.91	0.00	2,177.91	100.0%	4,595.72	14,500.00	-9,904.28	31.7%	14,500.00
5102 · Computer Service & Supplies	4,212.61	4,163.00	49.61	101.19%	49,667.54	50,000.00	-332.46	99.34%	50,000.00
5103 · Office Eqpt Lease & Service	2,990.78	1,038.00	1,952.78	288.13%	7,097.97	19,434.00	-12,336.03	36.52%	19,434.00
5105 · Rent & Storage	5,375.00	5,245.83	129.17	102.46%	62,157.18	62,950.00	-792.82	98.74%	62,950.00
5106 · Utilities	611.54	600.00	11.54	101.92%	6,575.61	7,200.00	-624.39	91.33%	7,200.00
5107 · Repairs & Maintenance	0.00	0.00	0.00	0.0%	0.00	2,000.00	-2,000.00	0.0%	2,000.00
5108 · Telephone - General	1,060.10	1,200.00	-139.90	88.34%	13,190.43	14,400.00	-1,209.57	91.6%	14,400.00
5109 · Janitorial Expense	184.00	480.00	-296.00	38.33%	2,154.00	5,760.00	-3,606.00	37.4%	5,760.00
5114 · Audit Fees	0.00	0.00	0.00	0.0%	10,000.00	11,000.00	-1,000.00	90.91%	11,000.00

Visit Santa Cruz County
Statement of Activities
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ADDENDUM 2

	Jun 24	Budget	\$ Over Budget	% of Budget	Jul '23 - Jun 24	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
5115 · Legal and Accounting	7,586.00	4,166.63	3,419.37	182.07%	41,788.50	50,000.00	-8,211.50	83.58%	50,000.00
5116 · Insurance	0.00	0.00	0.00	0.0%	8,953.51	13,637.00	-4,683.49	65.66%	13,637.00
5117 · Office Supplies	588.20	625.00	-36.80	94.11%	6,853.84	7,500.00	-646.16	91.39%	7,500.00
5118 · Postage-Operations	0.00	130.00	-130.00	0.0%	1,750.50	2,250.00	-499.50	77.8%	2,250.00
5119 · Public Notice Announcements	410.69	250.00	160.69	164.28%	782.69	3,000.00	-2,217.31	26.09%	3,000.00
5120 · Mileage & Travel	127.74	208.37	-80.63	61.3%	2,333.84	2,500.00	-166.16	93.35%	2,500.00
5122 · Memberships & Subscriptions	0.00	41.00	-41.00	0.0%	1,138.68	1,400.00	-261.32	81.33%	1,400.00
5123 · Professional Development	0.00	0.00	0.00	0.0%	23,847.13	22,350.00	1,497.13	106.7%	22,350.00
5125 · Credit Card Merchant Fees	317.00	250.00	67.00	126.8%	811.22	3,000.00	-2,188.78	27.04%	3,000.00
5126 · Interest & Bank Charges	104.00	60.25	43.75	172.61%	754.46	700.00	54.46	107.78%	700.00
5127 · Tax & License	0.00	0.00	0.00	0.0%	1,832.62	785.00	1,047.62	233.46%	785.00
5128 · Accounting Subscriptions	493.83	580.00	-86.17	85.14%	6,750.68	6,960.00	-209.32	96.99%	6,960.00
5140 · Depreciation & Amortizatn Exp	6,653.08	0.00	6,653.08	100.0%	6,653.08	0.00	6,653.08	100.0%	0.00
Total 5100 · OPERATIONS	32,892.48	19,038.08	13,854.40	172.77%	259,689.20	301,326.00	-41,636.80	86.18%	301,326.00
5200 · ADMINISTRATION/PERSONNEL									
5210 · Marketing & Services Salaries	71,078.64	60,089.93	10,988.71	118.29%	701,385.91	720,586.50	-19,200.59	97.34%	720,586.50
5217 · Accrued Marketing Payroll Exp	10,183.64	0.00	10,183.64	100.0%	10,183.64	0.00	10,183.64	100.0%	0.00
5211 · PR Tax FICA - Mktg	4,431.66	3,726.56	705.10	118.92%	43,518.96	44,677.28	-1,158.32	97.41%	44,677.28
5212 · PR Tax MEDI - Mktg	1,036.43	871.35	165.08	118.95%	10,177.81	10,448.51	-270.70	97.41%	10,448.51
5213 · PR Tax SUTA - Mktg	0.00	0.00	0.00	0.0%	850.56	12,360.37	-11,509.81	6.88%	12,360.37
5214 · PR Tax FUTA - Mktg	0.00	0.00	0.00	0.0%	781.17	4,573.47	-3,792.30	17.08%	4,573.47
5215 · Workers' Comp Exp-Mktg	-2,834.49	600.91	-3,435.40	-471.7%	2,020.83	7,205.87	-5,185.04	28.04%	7,205.87
5216 · Employee Benefits-Mktg & Srvc	652.90	7,665.00	-7,012.10	8.52%	75,559.41	78,421.00	-2,861.59	96.35%	78,421.00
5230 · Administrative Salaries	22,967.11	18,430.96	4,536.15	124.61%	195,152.30	227,783.90	-32,631.60	85.67%	227,783.90
5237 · Accrued Admin Payroll Expense	794.14	0.00	794.14	100.0%	794.14	0.00	794.14	100.0%	0.00
5231 · PR Tax FICA - Admin	1,423.96	1,142.70	281.26	124.61%	12,326.81	14,122.60	-1,795.79	87.28%	14,122.60
5232 · PR Tax MEDI - Admin	333.02	267.24	65.78	124.62%	2,882.88	3,302.87	-419.99	87.28%	3,302.87
5233 · PR Tax SUTA - Admin	0.00	0.00	0.00	0.0%	276.43	4,052.79	-3,776.36	6.82%	4,052.79
5234 · PR Tax FUTA - Admin	0.00	0.00	0.00	0.0%	142.83	1,300.00	-1,157.17	10.99%	1,300.00
5235 · Workers' Comp Exp-Admin	-759.00	184.29	-943.29	-411.85%	618.52	2,277.84	-1,659.32	27.15%	2,277.84
5236 · Employee Benefits-Admin	329.40	2,648.00	-2,318.60	12.44%	26,412.17	26,621.00	-208.83	99.22%	26,621.00
5240 · Retirement Fund-Employer Cont.	3,463.30	2,657.00	806.30	130.35%	36,678.24	36,178.00	500.24	101.38%	36,178.00
5251 · Accrued PTO Expense	16,881.40	0.00	16,881.40	100.0%	16,881.40	0.00	16,881.40	100.0%	0.00
Total 5200 · ADMINISTRATION/PERSONNEL	129,982.11	98,283.94	31,698.17	132.25%	1,136,644.01	1,193,912.00	-57,267.99	95.2%	1,193,912.00
5300 · TOURISM MKTG-LEISURE									
5301 · Publications	5,577.06	16,250.00	-10,672.94	34.32%	89,085.53	93,565.00	-4,479.47	95.21%	93,565.00
5302 · Direct & Co-op Advertising	83,729.17	34,606.00	49,123.17	241.95%	760,486.85	755,800.00	4,686.85	100.62%	755,800.00

Visit Santa Cruz County
Statement of Activities
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ADDENDUM 2

	Jun 24	Budget	\$ Over Budget	% of Budget	Jul '23 - Jun 24	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
5305 · Marketing Printed Matter	2,760.00	2,000.00	760.00	138.0%	20,385.00	18,500.00	1,885.00	110.19%	18,500.00
5309 · Postage - Tourism Promo	12.25	1,250.00	-1,237.75	0.98%	2,186.12	15,000.00	-12,813.88	14.57%	15,000.00
5311 · Telephone - Tourism Promo	525.50	435.45	90.05	120.68%	6,043.57	4,800.00	1,243.57	125.91%	4,800.00
5317 · Tourism Memberships	0.00	0.00	0.00	0.0%	65,371.60	62,000.00	3,371.60	105.44%	62,000.00
5318 · Local Meetings	12.93	300.00	-287.07	4.31%	308.99	5,000.00	-4,691.01	6.18%	5,000.00
5319 · VSCC Website	7,099.27	6,362.00	737.27	111.59%	80,203.73	80,000.00	203.73	100.26%	80,000.00
5323 · Marketing Contract Services	23,395.00	0.00	23,395.00	100.0%	167,395.00	144,000.00	23,395.00	116.25%	144,000.00
5324 · Brand Photography/Video Library	4,700.00	5,416.63	-716.63	86.77%	65,000.00	65,000.00	0.00	100.0%	65,000.00
5360 · On-Line Conctrct Svc/Media Buys	1,416.00	850.00	566.00	166.59%	8,496.00	45,200.00	-36,704.00	18.8%	45,200.00
Total 5300 · TOURISM MKTG-LEISURE	129,227.18	67,470.08	61,757.10	191.53%	1,264,962.39	1,288,865.00	-23,902.61	98.15%	1,288,865.00
5365 · TOURISM MARKETING-SOCIAL MEDIA									
5366 · Social Media Advertising-Leisur	6,233.56	4,087.00	2,146.56	152.52%	48,045.68	47,000.00	1,045.68	102.23%	47,000.00
5367 · Social Media Video Content	245.00	1,250.00	-1,005.00	19.6%	5,000.00	5,000.00	0.00	100.0%	5,000.00
5368 · Blog Content	3,050.00	1,674.00	1,376.00	182.2%	19,995.00	20,000.00	-5.00	99.98%	20,000.00
5369 · Social Media Advertising-Mtgs	1,022.00	1,000.00	22.00	102.2%	4,000.39	4,000.00	0.39	100.01%	4,000.00
Total 5365 · TOURISM MARKETING-SOCIAL MEDIA	10,550.56	8,011.00	2,539.56	131.7%	77,041.07	76,000.00	1,041.07	101.37%	76,000.00
5370 · COMMUNICATIONS- PR									
5372 · Promotional Amenities	5,455.77	450.00	5,005.77	1,212.39%	26,629.13	27,000.00	-370.87	98.63%	27,000.00
5373 · Still Photography	1,250.00	300.00	950.00	416.67%	4,827.75	5,000.00	-172.25	96.56%	5,000.00
5374 · Familiarization Tour Exp-Media	3,046.73	2,500.00	546.73	121.87%	10,485.09	10,000.00	485.09	104.85%	10,000.00
5375 · Media Trade Shows	6,000.00	2,506.00	3,494.00	239.43%	23,400.69	26,500.00	-3,099.31	88.3%	26,500.00
5376 · Media Tracking Contract Service	1,086.00	1,054.00	32.00	103.04%	13,038.54	13,000.00	38.54	100.3%	13,000.00
5377 · Communications Misc.	31.65	100.00	-68.35	31.65%	1,718.94	1,000.00	718.94	171.89%	1,000.00
Total 5370 · COMMUNICATIONS- PR	16,870.15	6,910.00	9,960.15	244.14%	80,100.14	82,500.00	-2,399.86	97.09%	82,500.00
5400 · FILM PROMOTION									
5401 · Film Membership/Subscriptions	0.00	0.00	0.00	0.0%	1,240.00	1,500.00	-260.00	82.67%	1,500.00
5403 · Film-Scouting	0.00	50.00	-50.00	0.0%	44.75	200.00	-155.25	22.38%	200.00
Total 5400 · FILM PROMOTION	0.00	50.00	-50.00	0.0%	1,284.75	1,700.00	-415.25	75.57%	1,700.00
5500 · COMMUNITY RELATIONS									
5501 · Annual Retreat	0.00	0.00	0.00	0.0%	0.00	5,000.00	-5,000.00	0.0%	5,000.00
5502 · Hosted Meeting Expense	127.03	0.00	127.03	100.0%	327.03	2,000.00	-1,672.97	16.35%	2,000.00
5504 · Meetings, Functions & Retention	2,829.51	2,083.33	746.18	135.82%	13,181.45	14,000.00	-818.55	94.15%	14,000.00
5505 · Com Rel Printed Matter	0.00	0.00	0.00	0.0%	0.00	2,000.00	-2,000.00	0.0%	2,000.00
5506 · Community Awareness Promotions	0.00	0.00	0.00	0.0%	0.00	2,500.00	-2,500.00	0.0%	2,500.00
Total 5500 · COMMUNITY RELATIONS	2,956.54	2,083.33	873.21	141.91%	13,508.48	25,500.00	-11,991.52	52.97%	25,500.00
5600 · CONTRACT SERVICES									
5601 · Research Marketing	2,000.00	4,333.37	-2,333.37	46.15%	25,500.00	52,000.00	-26,500.00	49.04%	52,000.00

Visit Santa Cruz County
Statement of Activities
June 2024

ADDENDUM 2

	Jun 24	Budget	\$ Over Budget	% of Budget	Jul '23 - Jun 24	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
5602 · Research - Occupancy Report	8,045.26	0.00	8,045.26	100.0%	8,045.26	10,000.00	-1,954.74	80.45%	10,000.00
5603 · Consulting Services	6,491.21	0.00	6,491.21	100.0%	27,341.34	30,000.00	-2,658.66	91.14%	30,000.00
Total 5600 · CONTRACT SERVICES	16,536.47	4,333.37	12,203.10	381.61%	60,886.60	92,000.00	-31,113.40	66.18%	92,000.00
5700 · CORPORATE CONFERENCES/GROUPS									
5702 · E-Marketing-Qtrly Newsletter	512.00	500.00	12.00	102.4%	6,844.00	12,000.00	-5,156.00	57.03%	12,000.00
5703 · FAM Tour Expenses-Group	309.03	2,500.00	-2,190.97	12.36%	16,982.03	18,000.00	-1,017.97	94.35%	18,000.00
5705 · Trade Show Destination Booths	850.01	0.00	850.01	100.0%	46,242.61	40,100.00	6,142.61	115.32%	40,100.00
5706 · Group Market Direct Advertising	0.00	0.00	0.00	0.0%	50,294.87	50,230.00	64.87	100.13%	50,230.00
5708 · Trade Show Booth Materials	0.00	0.00	0.00	0.0%	2,976.53	500.00	2,476.53	595.31%	500.00
5709 · Grp Marketing Web Enhancements	0.00	2,000.00	-2,000.00	0.0%	1,265.00	4,000.00	-2,735.00	31.63%	4,000.00
5710 · General Group Marketing	0.00	0.00	0.00	0.0%	4,427.73	4,450.00	-22.27	99.5%	4,450.00
Total 5700 · CORPORATE CONFERENCES/GROUPS	1,671.04	5,000.00	-3,328.96	33.42%	129,032.77	129,280.00	-247.23	99.81%	129,280.00
5800 · INTERNATIONAL-TOUR &TRAVEL(FIT)									
5801 · FAM Tours-Tour & Travel	-4,887.29	0.00	-4,887.29	100.0%	7,212.71	5,000.00	2,212.71	144.25%	5,000.00
5803 · Tour & Travel Trade Shows	-129.05	0.00	-129.05	100.0%	25,253.21	25,100.00	153.21	100.61%	25,100.00
5804 · Website Expansion-U.K. Section	0.00	0.00	0.00	0.0%	2,391.13	9,000.00	-6,608.87	26.57%	9,000.00
5810 · Tour & Travel-Misc.	4,500.00	0.00	4,500.00	100.0%	45,556.16	42,000.00	3,556.16	108.47%	42,000.00
5811 · Collateral Materials	0.00	0.00	0.00	0.0%	420.00	500.00	-80.00	84.0%	500.00
Total 5800 · INTERNATIONAL-TOUR &TRAVEL(FIT)	-516.34	0.00	-516.34	100.0%	80,833.21	81,600.00	-766.79	99.06%	81,600.00
7000 · OTHER TMD EXPENSE									
7001 · Juris. Admin Fee(Cities/County)	9,266.07	7,856.48	1,409.59	117.94%	33,348.40	32,788.00	560.40	101.71%	32,788.00
Total 7000 · OTHER TMD EXPENSE	9,266.07	7,856.48	1,409.59	117.94%	33,348.40	32,788.00	560.40	101.71%	32,788.00
Total Expense	349,436.26	219,036.28	130,399.98	159.53%	3,137,331.02	3,305,471.00	-168,139.98	94.91%	3,305,471.00
Net Ordinary Income	339,250.71	548,824.27	-209,573.56	61.81%	26,596.49	0.00	26,596.49	100.0%	0.00
Net Income	339,250.71	548,824.27	-209,573.56	61.81%	26,596.49	0.00	26,596.49	100.0%	0.00

**Visit Santa Cruz
County**

**Financial Statements
as of June 30, 2024**

CHAD HOESING, CPA, INC.

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Chad Hoelsing, CPA, Inc.

Certified Public Accountant
Certified Management Accountant

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Phone (831) 425-7193 Fax (831) 425-7198

The Board of Directors
Visit Santa Cruz County
303 Water Street, Suite 100
Santa Cruz CA 95060

Independent Auditor's Report

Report on Financial Statements

I have audited the accompanying financial statements of Visit Santa Cruz County (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended and comparative totals as of June 30, 2023. These financial statements are the responsibility of the Visit Santa Cruz County's management. My responsibility is to express an opinion on these financial statements based on my audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Visit Santa Cruz County, as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended, and comparative totals as of June 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited Visit Santa Cruz County's June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report on my consideration of Visit Santa Cruz County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Visit Santa Cruz County's internal control over financial reporting and compliance.

Chad Hoelsing, CPA, Inc.

Chad Hoelsing December 24, 2024

ADDENDUM 3

Visit Santa Cruz County Statement of Financial Position As of June 30, 2024 and June 30, 2023

	Unrestricted Operating Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Unrestricted Equipment Fund	6/30/24 Combined Funds	6/30/23 Combined Funds
ASSETS						
<u>CURRENT ASSETS</u>						
Cash in Bank	\$958,032	\$553,852			\$1,511,884	\$1,396,178
Accounts Receivable @ Net (Note 8)	700	957,572			958,272	730,377
Prepaid Expenses	17,452				17,452	11,972
Total Current Assets	976,184	1,511,424	0	0	2,487,608	2,138,527
<u>FIXED ASSETS (Note 2)</u>						
Computer Equipment				136,149	136,149	131,553
Furniture & Equipment				19,133	19,133	19,133
Fixed Assets @ Cost				155,282	155,282	150,686
Less: Accum: Depr.				(144,795)	(144,795)	(138,142)
Net Fixed Assets	0	0	0	10,487	10,487	12,544
<u>OTHER ASSETS</u>						
Deposits	3,968				3,968	3,968
TOTAL ASSETS	980,152	1,511,424	0	10,487	2,502,063	2,155,039
LIABILITIES AND NET ASSETS						
<u>CURRENT LIABILITIES</u>						
Accounts Payable	124,730				124,730	65,262
TMD Deferred Revenue	4,000	1,172,810			1,176,810	972,913
Accrued Payroll & PTO		77,379			77,379	49,913
TMD Reserves (Note 7)		261,235			261,235	236,234
Total Current Liabilities	128,730	1,511,424	0	0	1,640,154	1,324,322
Total Long Term Liabilities	0				0	0
TOTAL LIABILITIES	128,730	1,511,424	0	0	1,640,154	1,324,322
<u>NET ASSETS</u>						
Beginning Net Assets						
Without Donor Restrictions	818,173	0	0	12,544	830,717	798,500
Revenues in Excess (Deficient) of Expenditures	37,845	0	0	(6,653)	31,192	32,217
Interfund Transfers	(4,596)	0	0	4,596	0	0
Ending Net Assets						
Without Donor Restrictions	851,422	0	0	10,487	861,909	830,717
TOTAL LIABILITIES AND NET ASSETS	\$980,152	\$1,511,424	\$0	\$10,487	\$2,502,063	\$2,155,039

See Accompanying Notes and Auditor's Report.

ADDENDUM 3

Visit Santa Cruz County Statement of Activities and Changes In Net Assets for the Years Ended June 30, 2024 and June 30, 2023

	Unrestricted Operating Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Unrestricted Equipment Fund	6/30/24 Combined Funds	6/30/23 Combined Funds
<u>REVENUES</u>						
Tourism Marketing District		\$3,103,672			\$3,103,672	\$3,043,452
Advertising Sales	34,356				34,356	42,310
Interest Income	22,557				22,557	4,606
Credit Card Points	3,342				3,342	0
Net assets released from restrictions						
Restrictions satisfied by payments	3,103,672	(3,103,672)			0	0
Total Revenues	3,163,927	0	0	0	3,163,927	3,090,368
<u>FUNCTIONAL EXPENSES</u>						
Operations & Contract Services						
Salaries & Wages	195,946				195,946	184,269
PR Tax, WC Ins, Benefits	42,660				42,660	122,091
Contract Services & Insurance	117,508				117,508	119,738
Rent, Utilities, & Janitor	70,887				70,887	69,158
Telephone & Other Office	60,046				60,046	49,494
Tourism/Media Promo						
Salaries & Wages	718,267				718,267	659,127
PR Tax, WC Ins, Benefits	179,771				179,771	60,743
Advertising & Printing (Note 2)	1,261,799				1,261,799	1,274,082
Website	80,204				80,204	69,729
Communications	80,100				80,100	71,950
Corporate Conferences/Groups	129,033				129,033	111,744
International Tour & Travel Promo.	80,833				80,833	118,721
Meetings and Promotions	14,793				14,793	14,602
Consulting & Research	60,887				60,887	96,165
Other						
TMD Adm., Audit, Conting.	33,348				33,348	30,623
Depreciation (Note 2)				6,653	6,653	5,915
Total Expenses	3,126,082	0	0	6,653	3,132,735	3,058,151
Operating Revenues in Excess (Deficient) of Expenses	37,845	0	0	(6,653)	31,192	32,217
Interfund Transfers	(4,596)	0	0	4,596	0	0
Increase (Decrease) in Net Assets	33,249	0	0	(2,057)	31,192	32,217
Beginning Net Assets Without Donor Restrictions	818,173	0	0	12,544	830,717	798,500
ENDING NET ASSETS						
WITHOUT DONOR RESTRICTIONS	\$851,422	\$0	\$0	\$10,487	\$861,909	\$830,717

See Accompanying Notes and Auditor's Report.

**Visit Santa Cruz County
Statement of Cash Flows
For the Years Ended June 30, 2024 and June 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Excess (Deficiency) of Revenues over Expenses	<u>6/30/24</u> \$31,192	<u>6/30/23</u> \$32,217
Adjustment to Reconcile Excess (Deficiency) of Revenues over Expenses to net cash provided by operating activities:		
Depreciation and Amortization	6,653	5,915
Decrease (Increase) in Receivables	(227,895)	(161,919)
Decrease (Increase) in Prepaid Expenses & Deposits	(5,480)	1,971
Increase (Decrease) in Payables & Accrued Expenses	86,934	(12,559)
Increase (Decrease) in Deferred Revenue	228,898	23,826
Net Cash Provided (Used) by Operating Activities	<u>120,302</u>	<u>(110,549)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Equipment	(4,596)	(6,570)
--------------------------	---------	---------

CASH FLOWS FROM FINANCING ACTIVITIES

Increase (Decrease) in Notes & Leases Payable	<u>0</u>	<u>0</u>
Increase (Decrease) in Cash and Temporary Cash Investments	<u>115,706</u>	<u>(117,119)</u>
Cash and Temporary Cash Investments at beginning of year	1,396,178	1,513,297
Increase (Decrease) in Cash and Temporary Cash Investments	<u>115,706</u>	<u>(117,119)</u>
Cash and Temporary Cash Investments at end of year	<u>\$1,511,884</u>	<u>\$1,396,178</u>

See Accompanying Notes and Auditor's Report

**Santa Cruz County Tourism Marketing District
Statement of Financial Position
As of June 30, 2024 and June 30, 2023**

	6/30/24	6/30/23
	Temporarily Restricted Net Assets	Temporarily Restricted Net Assets
ASSETS		
<u>CURRENT ASSETS</u>		
Cash in Bank - VSCC	\$530,721	\$531,983
Accounts Receivable	957,572	722,077
Total Current Assets	<u>1,488,293</u>	<u>1,254,060</u>
<u>FIXED ASSETS (Note 2)</u>		
Computer Equipment	87,119	82,523
Accumulated Depreciation	(76,632)	(69,979)
Net Fixed Assets	<u>10,487</u>	<u>12,544</u>
TOTAL ASSETS	<u><u>1,498,780</u></u>	<u><u>1,266,604</u></u>
LIABILITIES AND NET ASSETS		
<u>CURRENT LIABILITIES</u>		
Payable to VSCC	1,172,810	967,913
TMD Payables - Payroll	52,191	49,913
TMD Reserves	261,235	236,234
Total Current Liabilities	<u>1,486,236</u>	<u>1,254,060</u>
TOTAL LIABILITIES	<u>1,486,236</u>	<u>1,254,060</u>
<u>NET ASSETS</u>		
Beginning Net Assets		
Without Donor Restrictions	12,544	11,889
Revenues in Excess (Deficient) of Expenditures	4,596	7,224
Transfer for Equipment	(4,596)	(6,569)
Ending Net Assets		
Without Donor Restrictions	<u>12,544</u>	<u>12,544</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$1,498,780</u></u>	<u><u>\$1,266,604</u></u>

See Accompanying Notes and Auditor's Report.

ADDENDUM 3

Santa Cruz Tourism Marketing District
Statement of Activities and Changes
In Net Assets for the Years Ended June 30, 2024 and June 30, 2023

	6/30/24	6/30/23
	Temporarily Restricted Net Assets	Temporarily Restricted Net Assets
<u>REVENUES</u>		
Santa Cruz County	\$680,611	\$598,950
City of Santa Cruz	1,790,079	1,681,399
City of Capitola	264,902	253,538
City of Scotts Valley	315,381	297,428
City of Watsonville	282,598	230,960
Credit Card Points	3,342	0
Less: Deferred	(204,897)	0
Total Revenues	3,132,016	3,062,275
<u>FUNCTIONAL EXPENSES</u>		
Operations & Contract Services		
Salaries & Wages	195,946	179,575
PR Tax, WC Ins, Benefits	42,660	60,743
Computer Services & Supplies	49,668	48,782
Occupancy	70,887	69,158
Telephone & Other Office	66,332	55,046
Legal & Accounting	51,789	54,243
Insurance	8,954	9,791
Tourism/Media Promo		
Salaries & Wages	703,959	652,641
PR Tax, WC Ins, Benefits	179,039	121,546
Consulting & Research	60,887	96,165
Advertising & Printing	1,261,799	1,274,082
Website	80,204	69,729
Other Tourism Costs		
Communications & Community Relations	80,427	77,722
Corporate Conferences/Groups	129,033	111,744
International Tour & Travel Promo.	80,833	118,721
Other		
TMD Audit & Contingency	25,002	18,825
Jurisdiction Admin Fees	33,348	30,623
Depreciation (Note 2)	6,653	5,915
Total Expenses	3,127,420	3,055,051
Operating Revenues in Excess (Deficient) of Expenses	4,596	7,224
Transfer for Equipment	(4,596)	(6,569)
Increase (Decrease) in Net Assets	0	655
Beginning Net Assets Without Donor Restrictions	12,544	11,889
ENDING NET ASSETS		
WITHOUT DONOR RESTRICTIONS	\$12,544	\$12,544

See Accompanying Notes and Auditor's Report

**Santa Cruz County Tourism Marketing District
Statement of Cash Flows
For the Years Ended June 30, 2024 and June 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Excess (Deficiency) of Revenues over Expenses	<u>6/30/24</u> \$4,596	<u>6/30/23</u> \$7,224
Adjustment to Reconcile Excess (Deficiency) of Revenues over Expenses to net cash provided by operating activities:		
Depreciation and Amortization	6,653	5,915
Decrease (Increase) in Receivables	(235,495)	(154,659)
Increase (Decrease) in Payables & Accrued Expenses	207,175	15,160
Increase (Decrease) in Reserves	25,001	2,990
Transfer to VSCC equipment fund	(4,596)	(6,569)
Net Cash Provided (Used) by Operating Activities	<u>3,334</u>	<u>(129,939)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Equipment	<u>(4,596)</u>	<u>(6,569)</u>
Increase (Decrease) in Cash and Temporary Cash Investments	<u>(1,262)</u>	<u>(136,508)</u>
Cash and Temporary Cash Investments at beginning of year - VSCC	531,983	668,491
Increase (Decrease) in Cash and Temporary Cash Investments	<u>(1,262)</u>	<u>(136,508)</u>
Cash and Temporary Cash Investments at end of year - VSCC	<u>\$530,721</u>	<u>\$531,983</u>

See Accompanying Notes and Auditor's Report

**Visit Santa Cruz County
Notes to Financial Statements
June 30, 2024**

NOTE 1. INTRODUCTION TO ORGANIZATION

Visit Santa Cruz County (VSCC) was incorporated on August 19, 1988 for the purpose of benefiting local residents by stimulating the local economy via promoting Santa Cruz County as a conference, tourist and film destination. VSCC is exempt from federal income taxes under Section 501(C)(6) of the Internal Revenue Code and from franchise tax under Revenue and Taxation Code Section 23701D. The IRS can audit the organization for three years after the due date of the annual IRS form 990.

VSCC began serving as the Owner's Association for the Santa Cruz County Tourism Marketing District (SCCTMD) effective July 1, 2010 by contract with the County of Santa Cruz. TMD's were authorized by the state legislature in 1994. The first SCCTMD had a five-year life. A second SCCTMD was authorized by the Santa Cruz County Board of Supervisors on June 28, 2013, ending on June 30, 2015. A 2015 renewal was authorized by the Santa Cruz County Board of Supervisors on February 24, 2015. A 2022 renewal was authorized by the Santa Cruz County Board of Supervisors on June 29, 2021, expiring June 30, 2029.

The Santa Cruz County Conference and Visitors Council (SCCCVC) changed its corporate name to Visit Santa Cruz County (VSCC) in January 2016.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues are recorded when earned and expenditures are recorded when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification. Under generally accepted accounting principles, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets for the Tourism Marketing District (TMD), and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the organization's management considers all unrestricted highly liquid investments with an initial maturity of twelve months or less to be cash equivalents. All cash is immediately available to management. The sum represents about six months of cash expenses.

Management holds checking and savings accounts in three different banks and in FDIC insured certificates of deposit (CD) to try to stay within FDIC insurance limits of \$250,000 per bank or CD.

Comparative Financial Information

The financial statements include certain previous-year comparative information in combined amounts instead of by net asset class. Such information does not provide sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. The reader may refer to the organization's audited financial statements for the year ended 6/30/23 that shows the detailed information comprising the combined amounts.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Visit Santa Cruz County
Notes to Financial Statements
June 30, 2024**

NOTE 2. (Continued) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function is charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

Advertising

The organization expenses all advertising throughout the fiscal year. There is no “direct response” (coupon) advertising. There is no prepaid customer advertising liability as of June 30, 2024.

Equipment

Uses of operating funds for equipment acquisitions are accounted for as transfers to the equipment fund. Equipment is carried at cost. Depreciation is computed using primarily the straight-line method with a five-year life. Net book value of \$4,596 represents equipment acquisitions funded by the SCCTMD.

Net Assets Accounting

The accounts of the organization are maintained in accordance with the principles of Net Assets accounting. In accordance with generally accepted accounting principles, Net Assets balances are classified on the Statement of Financial Position as unrestricted, temporarily restricted (TMD), or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions.

Reclassifications

Certain accounts in the prior-year financial statements may have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Restricted and Unrestricted Revenue

Revenues are recorded as increases in unrestricted, temporarily restricted (TMD), or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Bad Debts

Bad debts are recorded using the direct write-off method whereby they are charged at the time management has determined them to be unrecoverable. Generally accepted accounting principles require that an allowance for bad debt be recorded, but the difference in the amount of bad debt recorded between the two methods is immaterial.

NOTE 3. LEASE COMMITMENTS

On 1/7/10 the organization entered into a lease for office space at 303 Water Street, Suite 100, Santa Cruz for seven years commencing May 1, 2010 and ending April 30, 2017. The organization has exercised lease options for a five-year term effective May 1, 2017, then for one-year terms effective May 1, 2022 and May 1, 2023. The organization then exercised seven-month lease options effective May 1, 2024 and December 1, 2024. Current rent is \$5,250.

Minimum Future Lease Payments	
FYE 06/30/25	\$ 63,250
Total	<u>\$ 63,250</u>

**Visit Santa Cruz County
Notes to Financial Statements
June 30, 2024**

NOTE 4. 403(b)

The organization has a 403(b) plan in which all employees are eligible to participate. The employer contributes 4.5% of the eligible full-time employee's compensation for the year. Employees are eligible for the employer contribution if they are a minimum age of 21 and have one year of service with a minimum of 1,000 hours worked over a continuous 12-month period. For fiscal year-ended June 30, 2024, the total employer contribution was \$36,678.

NOTE 5. RISKS OF CONCENTRATION OF TMD FUNDING

The organization is highly dependent on TMD funding. A significant decrease in TMD funding could result in a corresponding significant decrease in operations.

NOTE 6. BENEFIT ASSESSMENT DISTRICT

As a Benefit Assessment District, SCCTMD is not required to submit annual specific district financial reports to the CA State Controller's Office.

NOTE 7. TMD LEGAL RESERVES

The TMD Reserves reported on page 3 of \$261,235 includes a restricted legal reserve of \$200,000 as requested by the County of Santa Cruz in the event of legal action challenging the TMD.

NOTE 8. ACCOUNTS RECEIVABLE

The organization had total accounts receivable of \$958,272 at June 30, 2024. Private sector advertising receivables were \$700 at June 30, 2024. TMD receivables were \$957,572 at June 30, 2024.

NOTE 9. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 24, 2024, the date of the management representation letter and of the audit report.

Chad Hoelsing, CPA, Inc.

Certified Public Accountant
 Certified Management Accountant

340 Soquel Ave. Ste. 105, Santa Cruz, CA 95062
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INDEPENDENT AUDITOR'S 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 of
 Visit Santa Cruz County

I 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, the financial statements of Visit Santa Cruz County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Visit Santa Cruz County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Visit Santa Cruz County's internal control. Accordingly, I do not express an opinion on the effectiveness of Visit Santa Cruz County'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Visit Santa Cruz County's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Chad Hoelsing, CPA, Inc.

Chad Hoelsing *December 24, 2024*

Chad Hoelsing, CPA, Inc.

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Certified Management Accountant

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The Board of Directors
Visit Santa Cruz County
As the Owner's Association
of the Santa Cruz County Tourism Marketing District
303 Water Street, Suite 100
Santa Cruz CA 95060

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The accompanying Expenses by Budget Categories Report for the fiscal years ending June 30, 2024 and June 30, 2023 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. The information in that report has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Chad Hoelsing, CPA, Inc.



December 24, 2024

**Santa Cruz Tourism Marketing District
Expenses by Budget Categories
for the Years Ended June 30, 2024 and June 30, 2023
Supplemental Schedule**

BUDGET CATEGORIES for TMD Expenses Administered by Visit Santa Cruz County	TMD 6/30/24 Actual	TMD 6/30/23 Actual
Marketing/Promotions/Sales	2,582,834	2,522,350
Administration/Operations and Policy Development	486,236	483,253
Jurisdictional Administration Fee	33,348	30,623
Reserve for Audit/Collections, Research, Contingency and Renewal	25,002	18,825
Total Expenses	3,127,420	3,055,051

TMD RESERVES HELD BY Visit Santa Cruz County

	Audit	Contingency & Renewal	Marketing	Legal Fees	Total
Balance @ 6/30/23 per audit	15,311	20,923	0	200,000	236,234
Additions	16,668	8,333	0	0	25,001
Less: Expenses of Reserve	0	0	0	0	0
Balance @ 6/30/24	31,979	29,256	0	200,000	261,235



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2023/2024

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Santa Cruz, CA 95060
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	Account Name	Physical Address 1	Physical City	Physical Zip	Jurisdiction
1	Aqua Breeze Inn	204 Second Street	Santa Cruz	95060	Santa Cruz
2	At the Dunes Pajaro Dunes	2661 Beach Road	Watsonville	95076	Watsonville
3	Babbling Brook Inn	1025 Laurel Street	Santa Cruz	95060	Santa Cruz
4	Bailey Property Management	106 Aptos Beach Drive	Aptos	95003	County of Santa Cruz, Santa Cruz, Capitola
5	Bay Front Inn	325 Pacific Avenue	Santa Cruz	95060	Santa Cruz
6	Beach Hill Inn (formerly El View Lodge)	810 Third Street	Santa Cruz	95060	Santa Cruz
7	Beach Street Inn & Suites	125 Beach Street	Santa Cruz	95060	Santa Cruz
8	Beachnest Property Management & Vacation Rentals	180 7th Avenue, #103	Santa Cruz	95062	Santa Cruz, Capitola, County of Santa Cruz
9	Beachview Inn	50 Front Street	Santa Cruz	95060	Santa Cruz
10	Bella Notte - The Inn at East Cliff	21305 East Cliff Drive	Santa Cruz	95062	Santa Cruz
11	Best Western Inn Santa Cruz	126 Plymouth Street	Santa Cruz	95060	Santa Cruz
12	Best Western Plus All Suites Inn	500 Ocean Street	Santa Cruz	95060	Santa Cruz
13	Best Western Plus Capitola By-the-Sea Inn & Suites	1435 41st Avenue	Capitola	95010	Capitola
14	Best Western Plus Scotts Valley Inn	6020 Scotts Valley Drive	Scotts Valley	95066	Scotts Valley
15	Best Western Rose Garden Inn	740 Freedom Boulevard	Watsonville	95076	Watsonville
16	Blue Sky Property Management	412 Cedar Street, Suite A	Santa Cruz	95060	Santa Cruz
17	Brookdale Lodge	11570 Highway 9	Brookdale	95007	County of Santa Cruz
18	Capitola Beach Suites	5000 Cliff Drive	Capitola	95010	Capitola
19	Capitola Hotel	210 Esplanade	Capitola	95010	Capitola
20	Capitola Venetian Hotel	1500 Wharf Road	Capitola	95010	Capitola
21	Capri Motel	337 Riverside Avenue	Santa Cruz	95060	Santa Cruz
22	Carousel Beach Inn	110 Riverside Avenue	Santa Cruz	95060	Santa Cruz
23	Casablanca Inn on the Beach	101 Main Street at Beach	Santa Cruz	95060	Santa Cruz
24	Chaminade Resort & Spa	One Chaminade Lane	Santa Cruz	95065	Santa Cruz
25	Cheshire Rio Realty and Property Management	107 Beach Drive	Aptos	95003	Santa Cruz, Capitola, County of Santa Cruz
26	Cliff Crest Bed and Breakfast Inn	407 Cliff Street	Santa Cruz	95060	Santa Cruz
27	Comfort Inn Beach / Boardwalk	314 Riverside Avenue	Santa Cruz	95060	Santa Cruz
28	Comfort Inn Santa Cruz	110 Plymouth Street	Santa Cruz	95060	Santa Cruz
29	Comfort Inn Watsonville	112 Airport Boulevard	Watsonville	95019	Watsonville
30	Continental Inn	414 Ocean Street	Santa Cruz	95060	Santa Cruz
31	Courtyard by Marriott Santa Cruz	313 Riverside Avenue	Santa Cruz	95060	Santa Cruz
32	Davenport Roadhouse Inn	1 Davenport Avenue	Davenport	95017	County of Santa Cruz
33	Dream Inn Santa Cruz	175 West Cliff Drive	Santa Cruz	95060	Santa Cruz
34	Edgewater Beach Inn & Suites	525 Second Street	Santa Cruz	95060	Santa Cruz
35	Fairfield Inn & Suites by Marriott Santa Cruz	2956 Mission Street	Santa Cruz	95060	Santa Cruz
36	Fairfield Inn & Suites by Marriott Santa Cruz - Capitola	1255 41st Avenue	Capitola	95010	Capitola
37	Fern River Resort	5250 Highway 9	Felton	95018	County of Santa Cruz
38	Fireside Inn	311 2nd Street	Santa Cruz	95060	Santa Cruz
39	Four Points by Sheraton Santa Cruz / Scotts Valley	5030 Scotts Valley Drive	Scotts Valley	95066	Scotts Valley
40	Fries Properties, Inc.	Monterey Avenue	Capitola	95010	Capitola
41	Hampton Inn & Suites Watsonville	75 Lee Road	Watsonville	95076	Watsonville
42	Hampton Inn Santa Cruz	1505 Ocean Street	Santa Cruz	95060	Santa Cruz
43	Hampton Inn Santa Cruz West	2424 Mission Street	Santa Cruz	95060	Santa Cruz
44	Harbor Inn	645 7th Avenue	Santa Cruz	95062	Santa Cruz
45	Hilton Santa Cruz / Scotts Valley	6001 La Madrona Drive	Santa Cruz	95060	Santa Cruz
46	Hinds Victorian Guest House	529 Chestnut Street	Santa Cruz	95060	Santa Cruz
47	Hitching Post Studios Inn	1717 Soquel Avenue	Santa Cruz	95062	Santa Cruz
48	Holiday Inn Express & Suites Watsonville	1855 Main Street	Watsonville	95077	Watsonville
49	Holiday Inn Express Hotel & Suites - Santa Cruz	1410 Ocean Street	Santa Cruz	95060	Santa Cruz
50	Hotel Paradox, Autograph Collection	611 Ocean Street	Santa Cruz	95060	Santa Cruz
51	Hotel Solares	600 Riverside Avenue	Santa Cruz	95060	Santa Cruz
52	Howard Johnson by Wyndham Santa Cruz Beach Boardwalk	130 West Cliff Drive	Santa Cruz	95060	Santa Cruz
53	Hyatt Place Santa Cruz	407 Broadway Avenue	Santa Cruz	95060	Santa Cruz
54	Inn at Depot Hill	250 Monterey Avenue	Capitola	95010	Capitola
55	Kendall & Potter Property Management & Vacation Rentals	522 Capitola Avenue	Capitola	95010	Santa Cruz, Capitola, County of Santa Cruz
56	Kennolyn	8400 Glen Haven Road	Soquel	95073	County of Santa Cruz
57	La Quinta Inn & Suites by Wyndham Santa Cruz	550 Second Street	Santa Cruz	95060	Santa Cruz
58	Marea Sol	301 Beach Street	Santa Cruz	95060	Santa Cruz
59	Masood's Lodge	13420 Big Basin Way	Boulder Creek	95006	County of Santa Cruz
60	Mission Inn & Suites	2250 Mission Street	Santa Cruz	95060	Santa Cruz

61	Monarch Cove Inn	620 El Salto Drive	Capitola	95010	Capitola
62	Motel 6 - Santa Cruz	1015 Ocean Street	Santa Cruz	95060	Santa Cruz
63	Motel 6 Watsonville	125 Silver Leaf Drive	Watsonville	95076	Watsonville
64	Motel Santa Cruz	370 Ocean Street	Santa Cruz	95060	Santa Cruz
65	National 9 Motel	130 Plymouth Street	Santa Cruz	95060	Santa Cruz
66	Ocean Echo Inn & Beach Cottages	401 Johans Beach Drive	Santa Cruz	95062	Santa Cruz
67	Ocean Gate Inn	111 Ocean Street	Santa Cruz	95060	Santa Cruz
68	Ocean Pacific Lodge	301 Pacific Avenue	Santa Cruz	95060	Santa Cruz
69	O'Neal Vacation Rentals	1100 Water Street, Suite 2C	Santa Cruz	95060	Santa Cruz, Capitola, County of Santa Cruz, Watsonville
70	Pacific Blue Inn	636 Pacific Avenue	Santa Cruz	95060	Santa Cruz
71	Pajaro Dunes Resort	105 Shell Drive	Watsonville	95076	Watsonville
72	PowerWest Property Management	118 Pearl Alley, Suite B	Santa Cruz	95060	Santa Cruz, Capitola, County of Santa Cruz
73	Quality Inn & Suites Capitola By The Sea	720 Hill Street	Capitola	95010	Capitola
74	Quality Inn & Suites Santa Cruz Mountains	9733 Highway 9	Ben Lomond	95005	County of Santa Cruz
75	Quality Inn Santa Cruz	1101 Ocean Street	Santa Cruz	95060	Santa Cruz
76	Rio Sands Hotel	116 Aptos Beach Drive	Aptos	95003	County of Santa Cruz
77	Rio Vista Luxury Suites	611 Third Street	Santa Cruz	95060	Santa Cruz
78	Riverside Inn & Suites Santa Cruz	505 Riverside Avenue	Santa Cruz	95060	Santa Cruz
79	Rodeway Inn	1620 W. Beach Street	Watsonville	95076	Watsonville
80	Royal Inn	781 Freedom Boulevard	Watsonville	95076	Watsonville
81	Salt Air Lodge	510 Leibrandt Avenue	Santa Cruz	95060	Santa Cruz
82	Sand Rock Farm	6901 Freedom Boulevard	Aptos	95003	County of Santa Cruz
83	Santa Cruz / Monterey Bay KOA	1186 San Andreas Road	Watsonville/La Selva Beach	95076	County of Santa Cruz
84	Santa Cruz Inn	2950 Soquel Avenue	Santa Cruz	95062	Santa Cruz
85	Sea & Sand Inn	201 West Cliff Drive	Santa Cruz	95060	Santa Cruz
86	Sea Side Inn & Suites	525 Ocean Street	Santa Cruz	95060	Santa Cruz
87	Seacliff Inn Aptos, Tapestry Collection by Hilton	7500 Old Dominion Court	Aptos	95003	County of Santa Cruz
88	Seascape Beach Resort - Monterey Bay	One Seascape Resort Drive	Aptos	95003	County of Santa Cruz
89	Seaway Inn	176 West Cliff Drive	Santa Cruz	95060	Santa Cruz
90	Sunny Cove Motel	21610 East Cliff Drive	Santa Cruz	95062	Santa Cruz
91	Super 8 by Wyndham Santa Cruz / Beach Boardwalk East	338 Riverside Avenue	Santa Cruz	95060	Santa Cruz
92	SureStay by Best Western Santa Cruz	516 Water Street	Santa Cruz	95060	Santa Cruz
93	Surf City Inn & Suites	619 Riverside Avenue	Santa Cruz	95060	Santa Cruz
94	Surf City Rentals	22596 East Cliff Drive	Santa Cruz	95060	Santa Cruz
95	Surf City Villas	40 Front Street	Santa Cruz	95060	Santa Cruz
96	The Aqua Pacific Hotel	330 Ocean Street	Santa Cruz	95060	Santa Cruz
97	The Boardwalk Beach House	118 First Street	Santa Cruz	95060	Santa Cruz
98	The Drift Inn	110 San Lorenzo Boulevard	Santa Cruz	95060	Santa Cruz
99	The Inn at Pasatiempo	555 Highway 17	Santa Cruz	95060	Santa Cruz
100	The Islander Motel	522 Ocean Street	Santa Cruz	95060	Santa Cruz
101	Torch Lite Inn Motel	500 Riverside Avenue	Santa Cruz	95060	Santa Cruz
102	Valley Inn Watsonville	970 Main Street	Watsonville	95076	Watsonville
103	West Cliff Inn, A Four Sisters Inn	174 West Cliff Drive	Santa Cruz	95060	Santa Cruz

VISIT SANTA CRUZ COUNTY

OPERATIONS/MARKETING PLAN

SANTA ★ CRUZ

2022-2023 FISCAL YEAR

25 MAY 2022



PREFACE

THE NEW ROLE OF DESTINATION MARKETING ORGANIZATIONS

This document is a collective effort by Team Visit Santa Cruz County. It is our first work product that attempts to offer a renewed, collaborative path forward for the organization that leverages past successes and contemplates the possibilities for our evolution as the recognized tourism expert and advocate for the lodging industry, recognized government municipalities and the community at large of Santa Cruz County.

Historically, destination marketing organizations (DMOs) have operated with a single, primary role: sales and marketing of a destination – putting heads in beds as they say. This sales and marketing function has also extended to the operation of visitor centers (which will be an important conversation in the months ahead); but, that’s as close to bricks-and-mortar that most DMOs ever accomplished. The idea of product development or destination management is just now becoming closer to the standard. The concept of collaboration, working with various local stakeholders to understand sustainability, performance metrics and enhancing the appeal of the destination and its ability to generate revenue for the community has always been somewhat of a nebulous, foreign notion.

That’s all changing in the 21st century, and the pandemic has ushered in an urgency to the matter. An effective DMO now takes an active role in the measurement and management of the destination, rather than passively waiting for someone else—private or public—to step forward and identify past performance and future opportunities that enhance the visitor experience, the local, resident community, and the cities’ and county’s tax base.

We all look forward to the process and execution of elevating the image and the understanding of

Santa Cruz County and the people who and places that, together, make the visitor experience so rich and diverse. From our circa 1907, world-renown, remarkably rich, seaside park, with its, not one but two, National Historic Landmarks – the 1924 Giant Dipper, and the 1911 Loeff Carousell, to the home of the certified organic movement, Driscoll’s world-famous berries, the ever-growing variety of apple juices from the 153-year-old S. Martinelli & Company, and the Monterey Bay National Marine Sanctuary to an artist community with more artists per capita than all but four other communities in the country, including New York, Los Angeles, San Francisco and Santa Fe. Who knew? With 29 miles of shoreline, thirty surf breaks and redwoods that reach the heavens, which have been worshipped longer than both St. Peter’s Basilica in Rome and Notre Dame in Paris, we look to share and celebrate our entire community and the exceptional environment that we call home.

We begin our new-found journey right here, right now. We look forward to all new levels of collaboration, insight, and a creative interpretation that lifts us all to an entirely new, fresh, longstanding standard.



SITUATIONAL ANALYSIS

Santa Cruz County and its embarrassment of riches for leisure travelers and highly rated corporate groups has been a long-established reality. The pandemic, natural disaster, and the ever-evolving great American housing hysteria have had a major impact on the destination, produced some anomalies, negatively affected occupancy and has somewhat ironically improved rate across the county, as it has across the country in resort, outdoor-focused destinations.

The organization named a new CEO in January 2022. Following a formal and thorough executive search and interview process, Michael Martelon was named Chief Executive Officer of Visit Santa Cruz County (VSCC). Michael's experience in a leadership position with a destination marketing organization and his background with branding and marketing communications were salient factors for the search committee, formed to review candidates and ultimately make a recommendation to the VSCC Board of Directors. The Committee was made up of hoteliers, tourism-related business representatives, and VSCC board and community members.

Out of the gate, Michael has been reaching out to local industry leaders and stakeholders, overseen the annual spring campaign, reviewed operational processes and procedures, spent quality time with staff, both one-on-one and as a group, and has been

getting more fully acclimated to the environment. Some immediate recommendations, with board approval, have been to concentrate on a one-year plan rather than a three-year version given the fluidity of travel and life itself; and, to pause the current version of the Traveler's Guide, which will be addressed with next fiscal's plan and lean more heavily on a journalistic foundation of the destination and the people who live and work here.

BIG DATA: THE FUTURE'S FOUNDATION

As we know, big data isn't just for technology companies and data scientists. While it's easy to think big data is too difficult, new technologies have made it far more accessible, and usable for DMOs. We can leverage big data through analytics, mar-tech and reporting. Specifically, this means using data to inform campaigns, marketing platforms

to deploy those campaigns, and taking a “test and learn” approach to continually understand brand lift and campaign performance.

Unlike traditional campaigns, martech tools enable real-time marketing. DMOs can build audiences, test campaigns, and create an end-to-end strategy that can be optimized every step of the way. This level of real-time, data-driven marketing sets DMOs up to deploy successful, personalized campaigns.

However cliché, like most things in life, “you get what you pay for”. Pricing for research and analytics can be unsettling initially; however, the long-term benefits and return on investment far outweigh those cost concerns. With new insights for analysis that go beyond simply website traffic, we can finally say NO to “spray and pray” marketing, and instead leverage technologies to better plan marketing budgets as well as track the economic impact of investments. Data pillars are discussed more in-depth in the Leisure Marketing section on page 11.

TECHNOLOGY: STREAMLINING OPERATIONS

With a digital shift operationally, we will save reams of paper, be more expeditious with our time (spending more time acting on our mission than assembling the back up for what we’ve done), and eliminate what is an unnecessary material weakness. This is addressed more fully in the Operations section on page 9.

In this year’s plan, you will see additions to the chart of accounts in the areas of intelligence (data); operations with outsourcing payroll, web-based accounting and a web-based payment portal; photography (still and moving pictures), THE medium for sharing our brand; social media, THE channel for sharing our assets, has become its own segment; and the Visitors Center, which may or may not be an innovative change to the typical bricks-and-mortar establishment.

GOALS/OBJECTIVES

OCCUPANCY

Raise the valleys sustain the peaks.

INTELLIGENCE

Establish a data foundation for informed decision making.

GROUPS

Support the emergence of right-sized group business.

DESTINATION

Elevate/articulate the brand, celebrate its soul.

OPERATIONS

Become more operationally efficient.





ADMINISTRATION/ PERSONNEL, THE TEAM AND ITS HOME

The Covid-19 pandemic has ushered in a new way of doing business, not just for the hospitality industry but for businesses across the globe. Visit Santa Cruz County had to change how we not only approached the visitor market, but how we conducted day-to-day operations. In addition to the pandemic, Visit Santa Cruz County saw the retirement of the CEO/Executive Vice President that had led the organization for more than 25 years. With the hiring of the new CEO in 2022, we are reimagining the structure of our organization, to better serve and elevate our community and region in the coming year. As we move forward and out of the pandemic, Visit Santa Cruz County is uniquely positioned to welcome back travelers to our region that is filled with rich history, natural and community resources and our hospitality community that is ready to welcome them back with open arms.

NEW VISIT SANTA CRUZ COUNTY OFFICE SPACE

Visit Santa Cruz County's current office lease will expire in April 2023 and we will be looking various options for the office space and visitors center.

OPTIONS INCLUDE:

- Staying at our current location, adding additional parking for staff and visitors
- Moving to a new location that will allow for more visitor traffic in the visitors center as well as better parking for staff and visitors
- Moving to a new location that would be office space only and then adding a mobile visitors center

THE REALITY OF THE CURRENT SPACE INCLUDES:

- In a building where we are the only non-probation tenant
- Not enough parking for staff
- Issues with homeless/transient persons

VISITORS CENTER

Visit Santa Cruz County has reopened the Visitors Center to service visitors to the region. Staffing is currently limited to the weekends when the most traffic is seen in our office. As we gain a better understanding of where our visitors are traveling to and from throughout our region, we are looking to strengthen our interaction with them by adding new opportunities to educate them on all that Santa Cruz County has to offer. To that end, Visit Santa Cruz County is considering the following additional visitor interaction points:

VIRTUAL CONCIERGE at various high-traffic areas throughout Santa Cruz County (i.e. Watsonville/ Pajaro Valley, Aptos/Soquel/Capitola, San Lorenzo Valley/Scotts Valley)

- This could be as simple as a computer located in a hotel lobby that connects with our Visitors Center staff virtually
- It could be a hologram that is pre-programmed with answers to frequently asked questions

MOBILE VISITORS CENTER that would have the ability to not only reach visitors at set locations, but also would be able to support local high traffic events as an information source

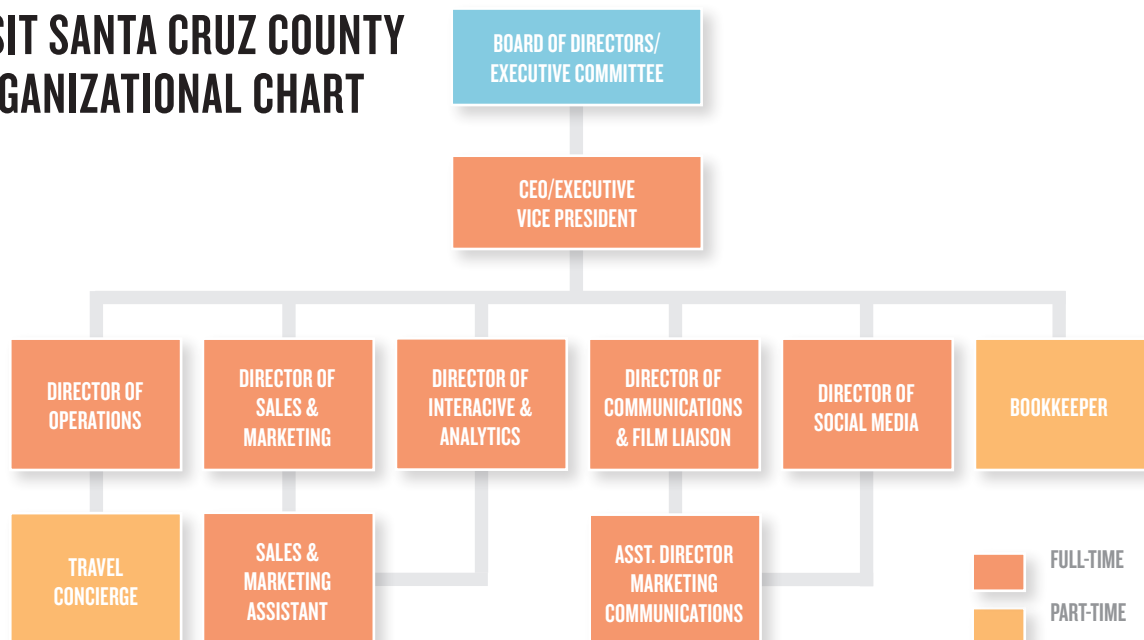
- The mobile visitors Center would be something similar to a mobile library, whereby it would include a computer for access to the web, as well as brochures and maps
- It would be staffed by a Visit Santa Cruz County staff member
- It would provide Visit Santa Cruz County the opportunity to educate the visitors about the many fantastic resources and attractions that there are in the county, thus encouraging longer stays in the market

STAFFING

As we continue to move beyond the pandemic, Visit Santa Cruz County will be evaluating staffing levels and ensuring that we have the proper amount of staffing to be the visitor resource for Santa Cruz County. Visit Santa Cruz County has begun the process of analyzing staffing levels and duties, reimagining staffing to meet the current and future demands of our area and businesses. The new alignment of staff will allow for:

- More efficient workflow
- Additional research and collection of visitor data, providing a more detailed economic impact of the tourism industry on the region's economy
- Better use of staff skills and knowledge, thus improving upon the services and information Visit Santa Cruz County is able to provide our community as a whole
- Allow for better outreach to our community supporters (local governments, community organizations), making Visit Santa Cruz County the tourism information resource for our region

VISIT SANTA CRUZ COUNTY ORGANIZATIONAL CHART



OPERATIONS

BILL.COM – GO WEST AND PAPERLESS

Bill.com automates payments from start to finish, syncs with popular accounting software, and securely stores your important vendor documentation in the cloud.

Used by more businesses to automate payables and receivables than any other platform, Bill.com automates payables and receivables, simplifying AP with end-to-end automation. The web-based platform provides a crucial tool to clean up payables and gain more visibility and control over the entire accounts payable process.

RIGHTNETWORKS – MOVING TO THE CLOUD

The cloud is no longer just an industry catch phrase; it's a business necessity. It enables everyone — from

accounting, marketing, operations, board officers and accountants.

Continuing to utilize Quickbooks in a shared platform, RightNetworks is leading accounting and productivity software that provides 24/7 access in a secure environment at any time, from anywhere on any device.

PAYROLL – ELIMINATING LIABILITIES

We have reviewed ADP and will look at other vendors for payroll and human resources. Ultimately, handling payroll and human resources (HR) entirely in house is a liability. We're looking to limit liabilities with better ways to work. This operational expense will be outsourced and eventually will include HR, Talent, Time Management, Benefits and Payroll.





TOURISM MARKETING - LEISURE

Marketing starts with understanding – the brand and those consuming it. Although media spending will see a reduction in favor of data, because of the ability to more definitively target, the performance of that spend will be surprisingly better than the current, heavy broadcast media. At this point, there appears to be three main pillars of data investment that, as the destination’s marketing and management organization, we should concern ourselves with:

1 CONSUMER PROFILING OF PAST GUESTS – modeling our lodging consumer segments to define the paid-accommodations visitor more definitively. The result is more effective, efficient “micro-targeting” of consumer segments based on actual past guest data of paid accommodations guests. This effort is a highly targeted and a proven way to identify and isolate overnight guests for the benefit of the lodging industry.

2 LODGING ANALYTICS – remove human error from calculations, provide a self-manage perspective and produce a much more granular view of professionally managed properties’ key performance metrics. This is an investment in a 21st century, real-time alternative to the current, rear-view mirror perspective and expand beyond the traditional occupancy, average daily rate, revenue per available room metrics with layers of valuable, actionable metrics like booking window, average length of stay, and average spend per stay.

3 TOURISM ECOSYSTEM ANALYTICS – the final piece is connecting pertinent destination and national metrics in a Tableau setting to illustrate the Tourism Ecosystem. If that’s Greek to you, Tableau is a “data warehouse” that visualizes data with an analytics platform that is transforming the way people use data to solve problems.

None of this happens without the support, commitment and contribution of the lodging industry. We’ve reviewed a variety of vendors to build information portals that take advantage of proprietary and public data in an effort to more accurately and visually articulate the tourism ecosystem and its origins. The foundation of grounded, efficient marketing, data is king when it comes to appropriately dispersing the brand’s message to the right people at the right time.

Data-driven vendors that we have reviewed include: Equifax, Epsilon, Key Data, Symphony by Tourism Economics, Madden Media’s Voyage and Zartico. The following is their own interpretation of their offerings:

KEY DATA: Key Data aggregates historical and forward-looking data in real-time providing the hospitality industry’s leading performance analytics & comparative data dashboards for professional vacation rental managers, tourism organizations, and investment funds.



SYMPHONY: Symphony is comprehensive by design, incorporating the widest range of data available, with targeted analysis for destination strategy, marketing, sales, and advocacy. More than just aggregation of data, Symphony integrates internal and external intelligence into a dynamic environment with insightful analysis that highlights relevant implications and allows this information to be “amplified” to selected audiences through various channels.

ZARTICO: Zartico’s Destination Operating System takes intelligence, analytics and data visualizations and combines it with context and strategic input to support a Destination Management Organization’s data-driven decisions in real-time.

VOYAGE: Voyage, the next generation of Madden’s data analysis tool, enables DMOs to ask the right questions, inform decision making, measure impact, and fulfill their fiduciary duty—all at an affordable cost.

NEAR: Founded in 2012, Near is headquartered in Singapore with offices in California, New York, London, Paris, Bangalore, Tokyo and Sydney. Near is the Largest Source of Intelligence on People, Places & Products.

EQUIFAX: Economic Cohorts® is an economic-based consumer segmentation system that groups households based on estimated economics, including estimates of total income, discretionary spending, and credit usage. These 71 clusters allow marketers to better understand the likely economic and behavioral characteristics of households in their target clusters in order to increase the relevance and effectiveness of marketing efforts.

There are no existing data sources or subscriptions that these would eliminate. Data vendors would work in concert with Smith Travel Research (STR) and Key Data (lodging metrics). We see this as being able to roll up (county) and roll down (the city and towns), Watsonville, Capitola, etc.

The Symphony sales material contain this quote that caught my attention:

“ Each year Visit SLO CAL spends well into six figures on data and analytics from a number of sources to help inform our business. However, it wasn’t until our partnership with Tourism Economics, on their Symphony platform, that the data and the insights came to life. Symphony combines all our data into one easy to view platform, while providing collective overall insights into the combined data, with individual community reporting.

Symphony has made a significant difference in the way we and our community look at data and our local elected officials appreciate the opportunity to understand what is happening in their specific city each month. In the end, it has been a game changer for how our partners use data to inform their business decisions. ”

- CHUCK DAVISON
PRESIDENT & CEO
VISIT SLO CAL

From what we can tell, SLO CAL spends about 5% of its expenses on research, which would translate to approximately \$140K for us. Be assured, this is marketing. It’s an overdue rightsizing of the budget to more appropriately and equitably address our mission – the brand, leveling out the peaks and valleys of occupancy, increasing the length of stay and settling into the appropriate ADR. Market intelligence is foundational to this effort.



We can finally say NO to “spray and pray” marketing, and instead leverage technologies to better plan marketing budgets as well as track the economic impact of investments.

Co-op marketing certainly isn’t new, but modernized tools have given rise to a new “digital co-op”. And these new co-ops are enabling DMOs to work with stakeholders and deliver measurable results. Unlike before, DMOs can now leverage AI

technologies and real-time data to gain visibility into aggregated impact to the destination, showing clear ROI. In addition, we can help stakeholders drive individual goals, from increasing direct bookings to better coordinating online destination marketing campaigns.

Now, brands are catching on to the benefits of collaboration.



INTERACTIVE – THE EVER-CHANGING DIGITAL WORLD

To support the Visit Santa Cruz County (VSCC) mission statement, the majority of our tactical efforts is to drive visitation to SantaCruz.org, and in-turn drive overnight visitation to Santa Cruz County through awareness of the destination and its salient attributes. We achieve this through an integrated media plan including the digital world. We are constantly engaged in new and evolving media channels and trends to better accomplish our goal of elevating the overall look and feel of the brand.

Interactive is broken down into the following four segments:

1. WEBSITE
2. DIGITAL MARKETING
3. TRADITIONAL MEDIA
4. REPORTING



WEBSITE

The VSCC website maintenance and updates consists of about less than 1% of the overall budget and is the main source and go-to information for visitors. Our role is to continue to present accurate and timely information in relation to the current events in Santa Cruz County and bring forth a captivating visualization of the destination. In recent years, we've completed a migration of the website's Content Management Systems (CMS) to enhance the usability of the back-end for non-technical staff to continue to make edits in "real-time" without delays. This provides the tools for allowing us to continue to be quick to respond and more efficiently keep the destination's website current in real-time. In addition, we have recently added a Hotel Finder function to more easily navigate and identify the many different lodging properties we have in Santa Cruz County. Fast forward to year 2022, we've decided to outline two phases on how to elevate the brand in the short-term and long-term processes.

In the short-term, we are currently conducting a new fresh take on VSCC navigation and layout of the website. We are working with Launch Brigade to utilize a cleaner layout that follows our new navigation tabs: Play, Eat, Stay, Plan and Lifestyle. We intend to simplify the core navigations under these silos and to allow discovery to be an integral part of the user experience vs. direct user experience. We've used data to back this new methodology by performing a website traffic analysis to better understand website visitor behavior and navigation tendencies.

In the long term, we plan on changing the overall theme of the website to stay on trend and be highly regarded among our Destination Marketing Organization (DMO) competitive set. Currently, the site has not gone through a refresh since 2016, and it is long overdue. Our plans are to incorporate a better visual experience to capitalize on the beauty of the destination and allow consumers to visualize themselves being "here" by utilizing scenic photography and cinematography.

Also, the current five (5) blog tile features are noticeably static and could do a better job representing the content to captivate the website audiences. However ambitious, developing a booking engine for visitors to book directly through the VSCC website would be an essential tool to becoming a one-stop resource for all things tourism here in Santa Cruz County. Ideally, with the propositions and plans above we'd like to increase the VSCC website enhancements and upgrades to 5% of the overall budget.

DIGITAL MARKETING

Digital media has been the foundation of our marketing strategy. With a growing budget over the years, digital marketing currently sits at 53% of the overall budget. Incorporating Google Adwords, Monsido, MailChimp, WordPress, MOZ Pro, and others has allowed us to be equipped and informed on make better marketing decisions. Google Adwords allows us to reach paid traffic to an untapped audience



within our target demographic markets. We continue to hone in on and optimize each ad campaign group to generate traffic to the website. Monsido is our Americans with Disabilities Act (ADA) software widget that tracks our website to fully be compliant with the current laws. Monsido has been a great resource to identify pages that need additional assistance, content that does not follow the regulations, and styling and layouts that may not adhere to people with disabilities. MailChimp is our Email Service Provider (ESP) and allows us to share newsworthy information to our 1st party data that opted-in to receive content from VSCC. WordPress is our CMS system which hosts our current website and allows us to create and push out content. MOZ Pro is our Search Engine Optimization and Marketing (SEO/SEM) tool. It helps us with keyword analysis, link building, content creation, and audits our website for opportunities in search engine visibility and rankings on Google.

Beyond these elements, we also work with a variety of digital media outlets to increase the size and targetability of our party data. We curate content targeting these audiences with relevant, destination information. This ranges from travel lists to outdoor enthusiasts, surfers, foodies, and many others. These opted-in lists allow us to generate subscribers to our own leisure database and deliver hyper-focused content relevant to their subscription interests.

TRADITIONAL MEDIA

Our traditional media covers TV Media and Print Advertising and consists of 43% of the digital marketing total budget. TV Media has been an outlet for us to increase brand awareness. TV media is run during Spring & Fall and during our shoulder season campaign windows. We spend 69% of the budget in Spring for our annual Spring Let's Cruz Vacation Getaway Sweepstakes,

which generates a lot of buzz for VSCC and our co-op partners. Fall is our Fall Festival Sweepstakes. We spend 31% of the TV Media budget that focuses on the Fall Festival events that happen throughout the county. In addition to TV Media, we also incorporate traditional Print Advertising consisting of about 2.5% of the Traditional Media budget. We include print ads during the campaign windows to capture the audience that enjoy print/hard copy consumption.

REPORTING

Currently, we use Google Analytics (GA) as our main reporting tool. We use Google Analytics to understand our website performance, marketing, content, and consumer behavior data. It provides us statistics and basic analytical tools for SEO and marketing purposes. As great as GA is, we are limited to its broad/macro perspective. As you've already read, we propose including additional data elements that would complement this tool – software such as Symphony and Near.

These robust tools will allow us to further excel our critical thinking and better understand consumer behavior. With tools such as Symphony and Near, we can focus on multiple behavioral data sources vs. our current macro target demographics. Symphony combines multiple travel trend data sources in a centralized database that can help provide insight to making smarter decisions. In addition, they partner with Near which is the world's largest intelligence connecting the physical and digital world. Near allows us to gain destination specific insights to identify destination visitors' origin, profiles, points of interest (POI) and many other relevant metrics. We can leverage all these newfound data points to better target the paid accommodations visitor audience.





SOCIAL MEDIA – AN AUDIENCE OF BILLIONS

Serving as a megaphone for the destination, brand, and travel information, social media has been a growing piece of Visit Santa Cruz County’s marketing strategy, plan, and efforts. Through the sharing of VSCC website information; inspirational and aspirational photos and videos; and by serving as a virtual visitor’s center, social media has KPIs that are both quantitative and qualitative.

FACEBOOK

Facebook has proven to be the largest source of social media referral traffic to the VSCC website. It’s an ideal platform for sharing VSCC website information, particularly blog posts geared toward the visitor or user who wants to “learn more.” Blogs such as “Top 5 Hikes in Santa Cruz County” and “Hotels with Amazing Ocean Views” are easily digestible and provide the Facebook user with helpful information to inspire or help plan their visit to Santa Cruz County.

By business strategy design and with ever-growing competition in the marketing space, Facebook

(also known as Meta, the Facebook and Instagram parent company) has increasingly become a place where brand pages, companies, and organizations must “pay to play.” For example, Hootsuite reported in February of 2022 that the average organic Facebook post sees just 0.07% engagement which exemplifies the need to advertise to be seen.

VSCC has responded to the need to advertise in the Facebook space/Metaverse by allocating advertising budget, utilizing ad tools such as custom and look-alike audiences for better targeted marketing, continuing education in the Facebook Ads Manager, continually staying updated on algorithm

and privacy changes that affect post performance, and by strategically increasing Facebook Ad budget to capitalize on the platform's traffic referral success for VSCC.

From January 1, 2021, through December 31, 2021, Facebook referral traffic accounted for 16% (216,321 sessions) of overall santacruz.org web traffic. With the increased budget and continued focus on advertising strategies, the Social Media Department has been able to stay competitive in the marketing space. During the calendar year of 2021, the Facebook Advertising spend was \$23,500.

The Fiscal Budget in 2021/2022 alone has increased from \$18,000 to \$24,000 to \$30,000 based on the success of the Facebook Ads, the low cost per click, and the recognized contribution and importance they have to the overall marketing goals.

Please note: advertising through Facebook was the primary method for leisure; however, the Facebook and Instagram parent company, Meta, makes it easy to create ads through the Facebook Ads Manager that can also be created and optimized for Instagram. In the budget breakdown, the line item will be referenced as Leisure Social Media Advertising, which incorporates both Facebook and Instagram.

As we move forward, social media advertising will incorporate more than just the leisure market. Meetings, weddings, and international marketing will also be utilized under the Social Media Marketing Budget. For leisure Social Media Marketing Advertising alone (primarily through Facebook), we should consider an increase to about \$35,000-\$40,000 to stay competitive in the market and allow for new content opportunities in the next fiscal.

INSTAGRAM

Instagram is a highly visual platform with a growing importance on video – specifically Reels. Instagram has the largest following of any VSCC social media platform and has proven to be a place of inspiration and real-time travel planning. In contrast to Facebook where referral traffic is the largest metric measured, Instagram takes more of

a qualitative approach in its success metrics. Of course, the large following and high engagement are notable measurements of success for Instagram, but more notably are the comments, messages, and content that users themselves share with us during their travel planning process and while in market.

Instagram is a valuable tool to share travel inspiration and engage with prospective, interested, or planned visitors. Users may comment or direct message questions about where to go, where to stay, what to eat, what are must-sees, etc. We take this opportunity to share travel ideas, give travel tips and advice, share our website content, and engage with the traveler. There have been many instances where this prospective or interested party ends up coming to the destination and then creates content while they are here, tagging @visitsantacruz in their posts.

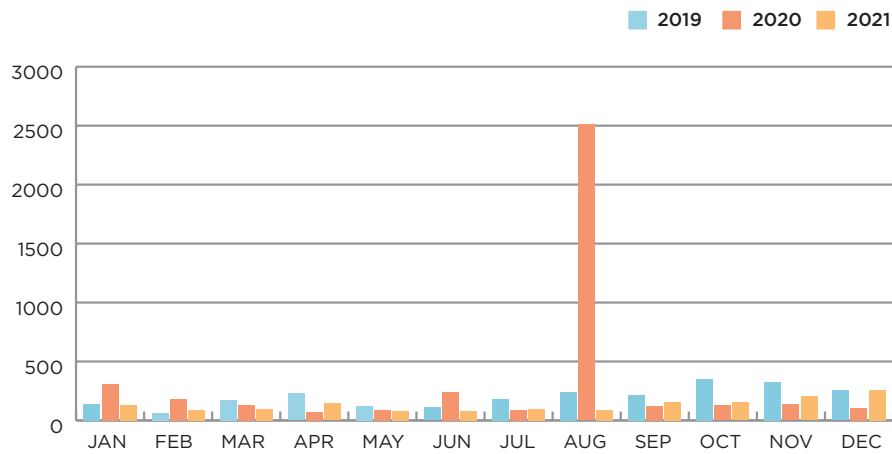
Content shared on Instagram is a combination of user generated content (UGC) and our content that we either shot (both photos and video) or that we own. Stories and reels are primarily created by the Social Media Director; but in the future, Jenn Day will be able to assist with content creation as well.

TWITTER

The goals, use, and purpose of Twitter have been redefined in 2022 for Visit Santa Cruz County. We joined Twitter in 2011 and largely used the social platform similar to Facebook – sharing visitor-centric travel information to inspire trips to the destination. Over the years, many local organizations, businesses, and macro-level travel businesses and organizations such as Visit California and US Travel, used the platform to share their information. Although Twitter has consistently shown underwhelming website referral traffic and engagement, we continued to use the platform in hopes to inspire travel.

Over the course of the last 5 years, many local tourism supporters and businesses have decreased their use of Twitter – some abandoning the platform all together, while others drastically decreased post frequency. Twitter's metrics continued to call

TWITTER REFFERAL TRAFFIC



into question its purpose and effectiveness for goals set.

In addition to the quantitative data (website referrals and engagement) suggesting travel information was not being massively consumed on Twitter, the platform also under performed when it came to the qualitative data (i.e., comments, messages, and travel conversations/inquiries on the platform.)

However, in 2020, during the CZU August Lightning Complex Fires, VSCC used the platform to share real-time “hard news” related to fire containment and status, evacuation orders, temporary housing availability, community aide and relief centers, etc. With this necessary shift in content as a destination in crisis, our Twitter engagement and referrals began to skyrocket. To exemplify this reality, the graph above shows Twitter referral traffic, comparing 2019, 2020, and 2021. Although January 2020 through July 2020 averaged 158 website referrals, in August 2020, website referrals soared to 2,511.

With the acknowledgment and acceptance that Twitter is less of a platform for travel inspiration for VSCC and more of a place for “hard news,” we have shifted our focus to crisis communication; public service announcements related to travel safety, road closures, big surf, wind warnings, or weather; environmental/sustainable tourism messaging; and other related topics.

TIKTOK

VSCC began using TikTok in April of 2021 but has not yet prioritized the value of this platform and its potential for the destination and brand. With the shift away from Twitter, the Social Media Department can put more time and effort into the growth and content creation of TikTok.

On a macro level, Destination Analyst recently did a survey comparing the “TikTok Traveler”

to the “Average Traveler” (“Average Traveler” in this study is a traveler who is a non-TikTok user). The data was collected from October 2021 through February 2021 and produced a base of 10,907 respondents who completed the survey. Here are some of the data findings: the average TikTok Traveler is 36.1 years old, 42.7% of TikTok Travelers expect to travel more for leisure in the next 12 months (compared to 35.3% of Average Travelers), average stay of 3.1 nights (compared to the Average Travelers 2.9 nights), and 66.1% value travel spending in the next three months as a high priority (compared to 56.1% for the Average Traveler.) The findings suggest that the TikTok Traveler is more excited for travel (possibly suggesting more marketable), prioritizes travel, and may have a pattern of longer overnight stays while in the destination.

Another interesting factor to explore with TikTok is that the organic reach is still viable on the social platform. The algorithm learns and prioritizes the type of content the user most interacts and engages with and organically puts that type of content in front of the user. Thus, the type of content we produce on TikTok is capable of organically being put in front of users that are interested in Santa Cruz County, travel, and/or the video themes we create.

The content on TikTok will be primarily created by the Social Media Department, but much like

our other social channels, collaborative content will also be a part of our strategy.

LINKEDIN

LinkedIn is a social platform used to be the organizational voice of Visit Santa Cruz County. The veil is lifted, and we can speak as our organizational selves to others in the travel and meetings industry. We can share the launch of marketing campaigns; announce new tourism-related businesses openings in our county (hotels, eateries, shops, activities, attractions, etc.); share participation in industry events, tradeshows, and educational conferences; Meetings related news, openings, events, and highlights; and many other topics related to the Communications Department's Cruz News publication and the Travel Forecast e-newsletter.

LinkedIn advertising is utilized for Meetings-related content. The Meetings Department has identified the LinkedIn platform to have qualified meet-

ings and conference professionals that we are able to reach through targeted audience creation and ads. In 2021/2022, the Meetings Social Media Advertising Budget was \$2,500, but as the Meetings Industry begins to pick up post-pandemic, we should consider increasing this budget and also

utilize Facebook Advertising for meeting/conference content. An increase to \$5,000 for Meetings is suggested.

BLOG CONTENT

Blog content helps keep the website fresh and is a way for us to create meaningful landing pages to drive traffic. We create content surrounding areas of visitor interest like hiking, events, things

to do, places to eat, and other identified consumer interests. We also reference Google Analytics to identify keywords that may be prime for new or updated content on our site. Content can also get inspired directly from our social media following. In the past, a Facebook user requested a list of dog-friendly hikes, and we were able to put a blog together that informed visitors and locals alike with dog-friendly hike information.

In 2020 and 2021, much of our blog content and blog updates were related to the pandemic. For example, What You Need to Know to Visit Santa Cruz County – is a blog that outlined the ever-changing restrictions, safety measures, openings, temporary closures, and, generally, what to expect on a visit to Santa Cruz right now. We also created content that focused on what was open and how to enjoy Santa Cruz County in the “new normal.” Examples of this type of content are Dine Al Fresco, Opt Outside in Santa Cruz County, and Classically Santa Cruz: 10+ Things You Can Do in Santa Cruz. Much of our new blog content was done in-house, and we did not utilize many contracted bloggers.

We also did many in-house blog updates on content that was appropriate during the ups and downs of the pandemic. We leaned into outdoor recreation themes such as hiking, outdoor adventure, tide pooling, and all things outdoors.

In 2022/2023, we will resume blog content creation in a freer sense as the post-pandemic era allows. We have recently hired a new blogger who is well known in the community and has interests in many outdoor topics as well as local events, restaurants, and community gatherings. She has a well-established Instagram, is a photographer, and can be a great connection for us to have for our community relations. We also have Tara Fatemi Walker, a local foodie writer who is well established in the community and has worked with a variety of our sponsors and partners. For Heritage Tourism, we have Traci Hukill who lives out of the area, but has written many pieces for this initiative. Lastly, we have in-house authors, Rachel Endsley, who does many of the blog updates and new blogs surrounding outdoors, dog-friendly, events, etc., and Christina Glynn, who has authored many blogs





related to film, media, international, meetings, and more.

In 2021/2022, the Blog Content Budget was approximately \$12,600. Given an expected post-pandemic era of more activities and events to write about (concerts, large-scale events, and generally an improved travel and event sentiment) an increase to \$15,000 should be adequate for the next fiscal.

VIDEO CONTENT

Video is an important component of the Social Media marketing plan. Inspirational videos that tell a story and intrigue the audience are of growing importance and will be given more focus in future marketing. With the prioritization of Reels on Instagram, the use of TikTok, and the undeniable marketing impact that video can have, we plan to allocate \$10,000 toward video for the Social Media

Department. This will include projects such as our Moments in Nature series, but also lend to new projects, ideas, or trends that may arise.

OTHER OPPORTUNITIES

As social has continued to show over the years, things change quickly and we must be willing to learn, adapt, test, and learn again. Algorithms change, trends change, platforms change, privacy policies change, and we must never stop learning as social media is a fluid marketing tool. The Social Media Department is committed to continuing education, staying up on trends and changes, and open to suggesting new opportunities as they arise. Acknowledging this fluidity allows us to be nimble when needed and capitalize on new technologies, trends, and content ideas.



COMMUNICATIONS – THE POWER OF INK

Visit Santa Cruz County enjoys a year-around public relations program. This robust program works to secure earned coverage of Santa Cruz County as a visitor destination. Crisis communications and industry and community relations are sectors of this department. Ongoing efforts address local public relations, and national and international media relations in targeted markets. VSCC has always supported Visit California’s efforts in terms of statewide, national, and earned media reach abroad, utilizing this strong relationship with the state tourism board to leverage its resources.

The Communications program is facilitated through the following ways:

MEDIA TRADE SHOWS

In terms of public relations efforts, there is no better way to foster and maintain relationships with media than in-person events. Through our relationship with Visit California and the U.S. Travel Association, opportunities to meet with both domestic and international media representatives during appointment-based media events and receptions allow VSCC staff to leverage resources and connect and pitch directly to editors, freelancers, staff writers, and other contacts.

Partnering with Visit California-sponsored media events provides VSCC with a cost-effective way to stretch its public relations budget to reach major metropolitan-area consumer, lifestyle, and travel media outlets. Increasing visitor awareness of Santa Cruz County through media exposure results in increased revenues to the county in the long-run.

NEW YORK MEDIA EVENT

In past years, VSCC has budgeted to participate in Visit California’s Media Reception and Marketplace, (also known as Media Marketplace) in New York and San Francisco. The New York event is usually held in January and coincides with

IMM (International Media Marketplace) and is a three-day event, comprising of IMM and other activities, including an editor event held at Meredith Publishing.

REGIONAL MEDIA EVENTS

A San Francisco event is held in spring or fall – pre-pandemic - on a rotating 18-month basis. These events are attended by a California delegation made up of primarily of PR reps from various DMOs from throughout the state, as well as major resorts, hotels and attractions. The timing of the event also provides an opportunity for the Communications Director to make media calls on in-market editors and freelancers if possible. In the past, when budgets allow, we’ve contracted with a PR rep to help facilitate these meetings. It is recommended that we participate in the Los Angeles Media Event, because this has previously represented an untapped market for us. However, since Media Marketplace works on a lottery system for delegates, attendance is not guaranteed. Media Marketplace attendees include key contacts at media outlets from the respective markets where the event is held.

MEDIA BOOT CAMP

Visit California hosts an annual Media Boot Camp event in a major national media market annually. Past locations include Austin, TX, Chicago, IL, the Pacific Northwest, and other major media markets, which are a good fit with the California brand.

UK/CANADA MEDIA MISSION

Visit California hosted its fourth Canada Sales and Media Mission in April 2022. The Mission included stops in four Canadian provinces in the cities of Toronto, Montreal, Calgary and Vancouver. In 2018, A total of 10 events were hosted (4 Trade/ 4 PR/ 2 Combined) over the course of 5 days and included 30 California delegates (16 trade and 14 media). During the week, delegates met with over

115 Canadian media (journalists and influencers) and 279 travel trade professionals.

Canada has proven to be a cost-effective international market for Santa Cruz County and – according to research – our region’s third most popular international market.

IPW

IPW is the largest international travel trade show in the United States. Hosted by the US Travel Association and its marketing and promotional arm, The Brand USA, this event is held in the spring, between April and June, in a major U.S. convention city. It is designed to bring travel trade representatives from destinations and major attractions and hotels (suppliers) from throughout the United States together with tour operators (travel agents) from around the world. A key component of IPW is Media Marketplace, which works in concert with the travel trade component of the show to increase demand among consumers through earned media coverage of Santa Cruz County as a travel destination and an option for international visitors.

IPW MEDIA MARKETPLACE

IPW hosts a media component of its show, Media Marketplace which takes place on Monday – the first day of the show. It is an appointment-based, all-day event and completely separate from the travel trade business on the convention floor - with DMOs staffing their tables with press information, and meeting with media representatives’, destinations share what’s new on the travel and tourism front in their respective markets. Similar to Visit California’s Media Marketplace, VSCC attends to pitch story ideas about Santa Cruz County to domestic and international media attending IPW. Our particular focus in recent years has been the UK media, with Australia and Canada not far behind. Post-pandemic, the focus will be on Canada and domestic media, with the UK and German media market in second and third position respectively. In 2023, IPW will take place in San Antonio, Texas.

FAM TOURS – MEDIA

VSCC hosts qualified journalists on assignment for individual media visits year-around. Generally, VSCC does not host group familiarization tours unless they are generated by Visit California or one of the state tourism board’s international offices. VSCC also supports the efforts of the Central Coast Tourism Council with media fam tours when appropriate.

A small portion of the budget is set aside for these types of supportive efforts, as well as individual media visits which will be increasing as the pandemic and hesitation to travel subsides. Increased domestic and international efforts also require a way for VSCC to host visiting media from Canada, the UK, and Germany.

CRUZ NEWS

Cruz News is a quarterly e-newsletter tailored specifically to travel media: freelancers, editors, staff writers, and other journalists. It is designed to provide travel media with story ideas, brief news updates, and pitches about what’s new in Santa Cruz County: new attractions, hotels and renovations, restaurants, museum exhibits, etc. Events and

festivals are not included in Cruz News unless it pertains to a signature event celebrating an anniversary (ie: 50th Anniversary of the Clam Chowder Cook Off). Cruz News is primarily distributed in digital format; however, it is also printed on stationary to bring to media events. It is sent to the full travel media list four times a year; on or around:

- July 1 – What’s New for Summer
- October 1 – What’s New for Fall
- January 1 – What’s New for Winter
- March 1 – What’s New for Spring.

Cruz News generally contains a dozen or so story ideas, which are added to the “What’s New in Santa Cruz” section of VSCC’s online press room. These news items can also be used to post to the PR Twitter account, submitted to Visit California and to the Central Coast Tourism Council during call-for-content periods, and to craft individual pitches to targeted media.

A PDF version of this e-newsletter is also created and posted to the on-line press room, and printed out as a handout during media events.

PRESS RELEASES

VSCC issues local press releases designed to increase public awareness about VSCC programs, news, and to reinforce the importance of tourism to the local economy. This is also a way for the local community to stay apprised of local issues in the media affecting VSCC and the tourism industry. Topics for past releases have included local angles on tourism industry trends, new VSCC services, VSCC promotional campaigns, new board members, and other topics.

With regard to media relations efforts, the Communications Director in recent years has received an improved response from the media in the form of a pitch rather than a detailed release when it relates to a story idea about leisure coverage.

PITCHES

VSCC supplements press releases and Cruz News mailings with individually crafted pitches for



PHOTO: JAY WATSON

targeted publications and writers. Past pitches to select publications and journalists have included the Santa Cruz Wharf's 100th Birthday, winetasting on the Corralitos Wine Trail, major motion pictures recently filmed in the area, and other topics.

PRESS VISITS

VSCC hosts journalists throughout the year on both individual press visits and group press trips (familiarization tours, or "fams") arranged through Visit California, or sometimes in concert with a lodging property's fam. The standard way for a journalist to visit is on a one-on-one hosted visit by VSCC.

VSCC also participates in group media fams throughout the year. Press trips are generally organized by Visit California. We develop and coordinate the activities for our portion of the itinerary, make all of the arrangements for lodging, meals and attractions.

Throughout the process, VSCC is mindful of how many comps we ask of our lodging partners. In recent years, we have made it a requirement for journalists to be on assignment (rather than visiting for research) and guarantee that the property at which they stay will be featured in the article.

With regard to individual press trips, our policy is to qualify the writer by sending them our Media Questionnaire, which is a way to help vet writers interested in covering Santa Cruz County as a travel destination. A writer's request to visit does not guarantee that we can host them for free; sometimes a media rate or suggested itinerary is how we are able to accommodate them. VSCC press policies are outlined on the Press portion of our website.

PRESS KITS

VSCC has migrated from paper press kits to loading information onto a flash drive, which is updated when a writer is visiting and/or when VSCC plans to attend a media event. The flash drive press kit contains some or all of the following materials: a destination fact sheet, photos, most recent press re-

leases as well as any videos that may be of interest, and other materials.

PRESS ROOM

The on-line press room includes VSCC media contact information, press releases, Cruz News story ideas, facts and stats, a form to request media assistance and to receive Cruz News. Each time an out-of-county press release is issued, it is entered into the Press Room, and when Cruz News is issued, the story ideas are also added to the Press Room.

MEDIA CONTRACT SERVICES - REPORTING

VSCC tracks and manages media coverage through a monitoring service. Burrelles-Luce provides us with a daily roundup of coverage based on a reader list of terms we provided to them and revisit annually.

Burrelles' online media database enables us to reach out to reporters, broadcasters, outlets, and producers to pitch story ideas and build media lists.

A standard flat monthly rate includes access to media contacts and press release distribution in addition to monitoring services.

THE TRAVEL FORECAST

VSCC's Travel Forecast is sent whenever there is a critical mass of local tourism information to the local tourism industry, partners and other constituents. The e-newsletter is designed to keep the local business community, including elected officials, business leaders and community members abreast of travel trends, statistics and news affecting the industry. We write the copy and distribute it using MailChimp. We send the Travel Forecast out approximately once a month or so.

The Forecast is comprised of three main stories, and five sidebar news items. We write the copy, and provide copy along with any logos and photos to the MarCom Coordinator who schedules a test through MailChimp, and sends out the final version to our Travel Forecast subscriber list.



FILM PROMOTION – HOLLYWOOD AND OTHER PERSPECTIVES

Santa Cruz County is a film-friendly destination offering accessible beaches, a seaside amusement park, redwood forests, California's iconic Highway 1 and scenic Highway 9 and other settings which attract filmmakers. As part of our mission statement, Visit Santa Cruz County promotes the region as a film destination as well. The Santa Cruz County Film Commission is a department within Visit Santa Cruz County. Our online film site is found at www.filminsantacruz.org.

The combination of frugal permit fees and a responsive film office provides the destination with a reputable office for location scouts and production companies to consider as an attractive, affordable option for still commercial shoots, television series, feature films, filmed commercials, documentaries, music videos, student films, engagement shoots, corporate films, web commercials, and other projects. Through a strong relationship with Visit California, nearly a half-dozen film projects have been shot on location in Santa Cruz County by the state tourism board.

While Santa Cruz County has been the setting for some feature films, major motion picture production is a rarity. Notably, between 2017 and

2019, Birdbox, Bumblebee, and Us filmed in the Santa Cruz region, where Henry Cowell Redwoods State Park, the Santa Cruz Beach Boardwalk, the Santa Cruz Wharf, the Seabright neighborhood, and a handful of other settings provided critical locations for storytelling and backdrop. It has been estimated that combined, these three productions generated over \$2.8 million in revenue for our county. Local caterers, equipment rental companies, restaurants, and other businesses all benefit from the added economic boost to our county from the production spending while in-market. Hotels in Santa Cruz County benefitted from more than \$1 million in revenue from housing crew and talent during the three feature film shoots, which gener-

ated 4,154 room nights collectively. It should be noted that historically, film has been a non-revenue generating program for VSCC, as the number of major feature films and the scope of regularly occurring film projects have been limited. However, strong relationships with a few key local and San Francisco-based location scouts have resulted in projects from Dockers, Chevy, Vans Off the Wall, O'Neill, Modcloth, Chase Marriott, Pottery Barn Kids, and Fox Racing, and others.

Normally, film inquiries are generated one of four ways: through direct contact from a production company or scout via email or phone; via an email from the California Film Commission; through the FLICS (Film Liaisons in California, Statewide) website; and a small portion through the AFCI (Association of Film Commissioners International) website.

FILM MEMBERSHIPS/SUBSCRIPTIONS

As a way to leverage our resources, VSCC is a member of two organizations that represent our destination at location trade shows, and serve as a certification agency for film commissioners:

FLICS – Film Liaisons in California, Statewide.

FLICS is comprised of film commission offices throughout California. The organization works to promote film projects throughout the state and is a valuable network of film liaisons and commissioners who assist production companies and film scouts with locations, permits, and destination knowledge. A wide peer-to-peer community provides support and best practice information amongst statewide film offices. Representatives from FLICS attend an annual On Location trade show which represents all California film offices.

AFCI – Association of Film Commissioners International. AFCI is the governing board that certifies film commissioners and provides continuing education, resources, and ongoing guidelines for the industry.

FILM SCOUTING

Occasionally, a location scout or other film representative has visited the region on assignment for a production. A small amount of budget is typically set aside to host film crew when scouting Santa Cruz County for a project.

COMMUNITY RELATIONS

WHO KNOWS AND WHO CARES? DMOs across the country are feeling the heat of “locals” who don’t appreciate, respect or comprehend the jobs that tourism creates, or the layers of economic activity generated from people who dream, and realize that dream, of experiencing California’s central coast. We hope to be better at articulating the value and benefits of the industry with data-based facts as we move forward. More importantly we

expect this year to be a discovery of the appropriate channels to distribute the messages to the county at large. Currently, we spend less than a half percent of our expenses on Community Relations. We expect a minor increase this year and, depending on local sentiment, future growth in this area. We look for VSCC to become the recognized expert of everything tourism and be an advocate for its health and sustainability in our community.

CORPORATE CONFERENCES/GROUPS – TARGETED RIGHTSIZING

In terms of meetings, the immediate need is to uncover short-term business that will bring overnight stays to SCC hotels. In addition, our efforts will also focus on finding groups that will bring business to SCC starting 2023 and beyond. Since business transient segment is projected to be the last market to recover, groups will likely be key to creating compression during shoulder seasons. Week-day programs will also be high priority.

VSCC SALES STRATEGY

VSCC will direct the sales focus to target the following markets in tradeshow attendance: Corporate, Association, SMERFE (Social, Military, Educational, Religious, Fraternal, Ethnic) and Travel Trade.

VSCC will focus on developing more strategic partnerships with the following intermediaries: HelmsBriscoe and HPN Global.

Also, VSCC will continue with an annual focus-group FAM and geo-target clients' events (Sacramento and San Jose/Silicon Valley) to continue evolving our sales strategies, offerings and potential packaging.

Trade shows, in a nutshell, identify new business leads, increase brand awareness, present networking opportunities, and provide an opportunity to learn more about the industry. Breaking them down a little further, trade shows can be distilled into four primary benefits.

AWARENESS – a trade shows is a great opportunity to raise brand awareness among industry professionals and

the key decision makers that matter. Put Santa Cruz County on the map for meetings and groups!

BUSINESS RELATIONSHIPS – We all need support no matter how big or great. Forging alliances with other industry related companies can help VSCC enter vertical markets that we would not break into otherwise. At a trade show, we have the opportunity for face-to-face meetings with potential clients — allowing for a chance at a good first impression and future relevancy.

LEADS, AND GOOD ONES – The tradeshow environment is itself meant for business. A large crowd of highly targeted buyers are herded under one roof. Meeting planners who make the effort to attend a tradeshow, do so because they are actively looking to buy or gain knowledge for their future meeting's needs.

COMPETITOR ANALYSIS, KEEPING UP WITH THE JONES – A trade show exposes the strategies and best offerings of all other DMOs and/or hotels.

EDUCATION, KNOWLEDGE IS POWERFUL – Trade shows are usually filled with a myriad of educational sessions that help us explore and learn about the industry trends. Keeping current and well informed will help VSCC to remain relevant. At a glance tradeshow attendance and lead generation include:



MARKET	FOCUS
Corporate	Target new groups starting from 25+ rooms peak
Association	Primary: California-based associations
Intermediaries	Helmsbriscoe & HPN Global
Travel Trade	UK, Germany, Canada and Australia

DATE	MEETINGS TRADESHOW	
July 2022	Destination International Summit	<ul style="list-style-type: none"> • Educational Summit • Networking opportunity with Industry
August 2022	Connect Marketplace	<ul style="list-style-type: none"> • 1 track = 30 appointments • Targeting Corporate • Approximately 3,000 meeting planners
August 2022	Smart Meetings NorCal 1-day	<ul style="list-style-type: none"> • 1 track = 30 appointments • Targeting Corporate
October 2022	All Things Meetings Silicon Valley	<ul style="list-style-type: none"> • Educational Summit • Networking opportunity with Industry
October 2022	IMEX (Floater)	<ul style="list-style-type: none"> • Floater at IMEX • Maximize exposure by attending networking events and leveraging “neighbors” booths (SJ, Monterey and VCA)
November 2022	Destination California	<ul style="list-style-type: none"> • 1 track = 30 appointments • Targeting Corporate & Association
November 2022	Smart Meetings West 3-day	<ul style="list-style-type: none"> • 1 track = 30 appointments • Targeting Corporate
December 2022	CalSAE Seasonal Spectacular	<ul style="list-style-type: none"> • 1 booth (10 x 10) • Opportunity for hotels to join VSCC on tradeshow floor • Targeting National Association
January 2023 (TBD)	Connect California	<ul style="list-style-type: none"> • 1 track = 30 appointments • Targeting Corporate & Association
May 2023	Destination West	<ul style="list-style-type: none"> • 1 track = 30 appointments • Targeting Corporate & Association
May 2023	Connect Marketplace Spring	<ul style="list-style-type: none"> • 1 track = 30 appointments • Targeting Corporate
April 2023	CalSAE Elevate	<ul style="list-style-type: none"> • Educational Event with industry and Association clients
April 2023	MPINCC ACE	<ul style="list-style-type: none"> • Floater at MPINCC • Networking opportunity with local meeting planners from Northern California Chapter

LEAD GENERATION

	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022
July	No data	20	14	5	15
August	11	19	75	1	13
September	5	16	28	2	15
October	13	7	14	1	6
November	4	0	17	0	18
December	15	0	9	3	16
January	10	0	15	2	14
February	14	14	12	2	15
March	11	12	14	7	33
April	7	12	0	8	10
May	10	15	0	9	
June	12	24	0	13	
Grand Total	112	139	198	40	155

Initial tactics include:

MEETINGS COLLATERAL

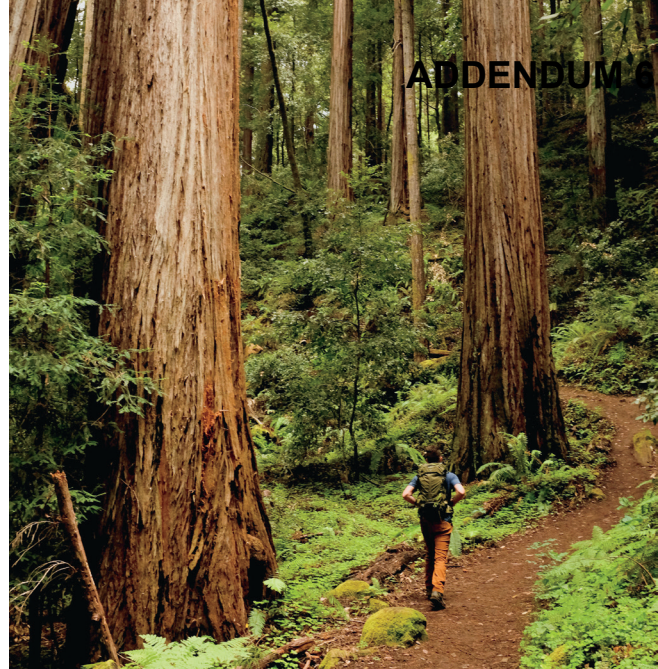
We will be reviewing the relevancy and components of “Meet Santa Cruz” to lean into more of a corporate focus rather than so heavily leisure. In addition we anticipate a refresh of the Conference Hotels Video and more attention and effort in still photography.

INDUSTRY INVOLVEMENT

We will continue our membership and involvement with MPI and PCMA. It keeps the brand relevant to those audiences. In addition, we plan to attend local MPI and PCMA events to network with local meeting planners that are active in their role and in the industry.



INTERNATIONAL TOUR & TRAVEL, SLOWLY, BUT SURELY



VSCC has been active in the travel trade market since 2012. The purpose was to evaluate and assess the impact of this market to Santa Cruz County. VSCC has attended VCA UK Sales Mission, WTM, ITB, IPW and TO focused tradeshow such as Go West and RTO (Receptive Tour Operator) Summit. RTO summit has a large ratio of tour operators that represent markets that we currently don't aggressively pursue.

As part of our reemergence, we'd like to be in front of international clients by attending two, very targeted tradeshow with the ability to generate business for all TMD Hotels. IPW and Go West. Additionally, we see benefit in attending either VCA Sales Mission or International Shows (WTM and ITB) also in conjunction with VCA.

TRAVEL TRADE CO-OPS 2022 & PAST INTERNATIONAL REPRESENTATION

VSCC paused international representation in 2020. Past contracts included SLC (UK) and MSI (DE) in 2018 and 2019. We will be reevaluating the BUSA Co-Ops instead of re-activating them. BUSA and VCA reports show positive sentiment towards visiting CA as a destination, so we will continue our B2C Marketing efforts:

DATE	EVENT	RESULTS
2/27/2023- 3/2/2023	Go West	<ul style="list-style-type: none"> 1 track = 35 appointments State Caucus Sessions led by VCA
5/20/2023 - 5/24/2023	IPW	<ul style="list-style-type: none"> 1 track = 25 appointments Targeting TO from UK, GE, CA and AUS

DATE	MEDIA	RESULTS IMPRESSIONS CLICKS
Dec 2021 - Jun 2022	Trivago	<ul style="list-style-type: none"> Dec: 58,086 66 Jan: 183,616 99 Feb: 236,381 159 Mar: 140,115 72
Jan 2022 - May 2022	Expedia	<ul style="list-style-type: none"> ADR: \$306 Room nights booked: 117 Revenue: \$35,778 Avg LOS: 2
Jan 2022 - May 2022	Sojern	<ul style="list-style-type: none"> AU: 8829 20 CA: 935,520 1232 DE: 320,004 562 GB: 452,475 706

