



# VISITHATTIESBURG

10.1.2020 - 9.30.2021

## FY21 ANNUAL REPORT AND TOURISM RECOVERY UPDATES



### #VISITMSRESPONSIBLY



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## HATTIESBURG TOURISM COMMISSION MEMBERS

- **CHAIR:** Frank James, Hotel Industry Rep.
- **VICE CHAIR:** Anthony Harris, P.E., Economic Development Rep.
- Melanie Archer, Hotel Industry Rep.
- Fei Xue, Ph.D., USM Rep.
- Bonnie Warren, At-Large
- Michael Marks, At-Large
- Shawn Lowery, AT-Large

## VISITHATTIESBURG STAFF

- Marlo Dorsey, **Executive Director**
- Kristen Brock, Director of Programs and Promotions
- Paige Robertson, Director of Communications and Digital Strategies
- Courtney Magee, Special Projects Coordinator

# BIOGRAPHY OF VISITHATTIESBURG

**Hattiesburg has emerged as a premier visitor destination with an impressive sense of place for business and leisure travelers.**

Created in 1990 by the Mississippi State Legislature, the Hattiesburg Tourism Commission (HTC), doing business as VisitHATTIESBURG™, serves as the official Destination Marketing Organization (Convention & Visitors Bureau), and local industry leader for tourism in the City of Hattiesburg. VisitHBURG is governed by a seven-member board representing the business community and the local tourism industry. With primary **funding generated by a 2% hotel bed tax, the guiding mission of VisitHBURG is very specific: to introduce new dollars into the Hattiesburg economy through increased short-term visitation and overnight travel.**

**From the start, local partnerships have played a critical role in the work of VisitHBURG.** The vast amount of VisitHBURG’s partnerships is vital to its efforts to grow the area’s tourism industry. Such partnerships include local hotels, restaurants, and attractions, entities such as the City of Hattiesburg, the Area Development Partnership, William Carey University, The University of Southern Mississippi, the Forrest County Board of Supervisors, the Downtown Hattiesburg Association, Midtown

Merchants Association, Hattiesburg Convention Commission, and many others.

**Through such partnerships, VisitHBURG has been able to serve as a catalyst for significant and unique events in Hattiesburg,** such as Pre-Olympic Training in 1996, the Mississippi Miss Hospitality Competition for the last 24 years, Hattiesburg Craft Beer Festival, Star-Spangled Celebration on the River Independence Day event, Hattiesburg Restaurant Week, the creation of the Hatties[BURGER] culinary trail, new signage for the Longleaf Trace, 1964 Freedom Summer Trail, Pinebelt Blueways, and Tatum Sportsplex, and the facilitation of various art-related projects in the community through the Hattiesburg Alliance for Public Art.



An innovative and artistic hub of the Gulf South, **Hattiesburg has emerged as a premier visitor destination with an impressive sense of place for business and leisure travelers.** The city is rapidly becoming an event, history, live music, outdoor attractions, and culinary destination for millennials and baby boomers.

<b>OUR MISSION</b>	To actively position Hattiesburg as a year-round premier leisure and business destination in the Gulf South.
<b>OUR VISION</b>	To ignite tourism economic growth in Hattiesburg through strategic vision and collaborative leadership while enhancing local quality of life.
<b>OUR VALUES</b>	The VisitHATTIESBURG team strives to be efficient, productive and professional with a commitment to hospitality excellence and attention to detail while always keeping VisitHATTIESBURG’s mission top of mind.

## OUR FOCUS AREAS

**GROW TOURISM’S**  
ECONOMIC IMPACT IN HBURG

**STRENGTHEN**  
PARTNER NETWORK & COLLABORATION

**COMMUNICATE**  
AND AMPLIFY THE HBURG STORY

**PRIORITIZE PLACEMAKING**  
AND ENHANCE THE HBURG EXPERIENCE

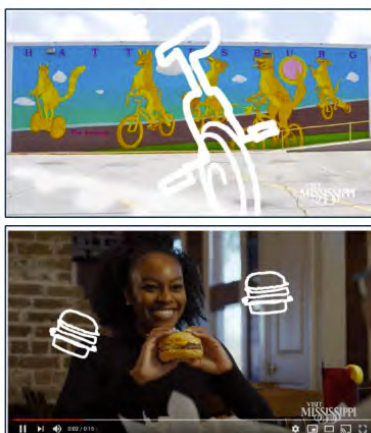
# DESTINATION MARKETING: HATTIESBURG

In 2015, VISITHATTIESBURG™ shifted its brand. Moving away from the “Hattie” brand and southern charm appeal, the focus was to show Hattiesburg as **fresh and distinct**. Inspired by Hattiesburg’s charming nickname “HBURG,” VisitHATTIESBURG™ set out to develop a brand that not only connected locals to their city but would also be recognized nationally as a tourism destination in Mississippi.



In recent years, travelers have changed the way they select their next tourist destination. More and more, trips are planned digitally, and vacation decisions are made by seeing family and friends share their memories and travel stories online. In response, **VisitHBURG has increased its exposure through digital marketing campaigns focused on select areas across multiple states in the Gulf South.**

The new, creative work of these campaigns highlight **home-grown flavors, rich culture, and local trademarks that set HBURG apart from the competition.** By using an assortment of curated and user-generated photographs, drawing on the authentic vibrancy of the community, and emphasizing the local flavor found here, Hattiesburg has become more competitive in the world of destination marketing, seeing results of a digital-focused campaign for the last four years.



15+ NEW PROMO VIDEOS



SAFETY SIGNAGE PROVIDED TO ALL MEETING VENUES

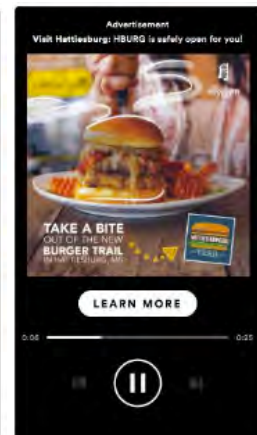
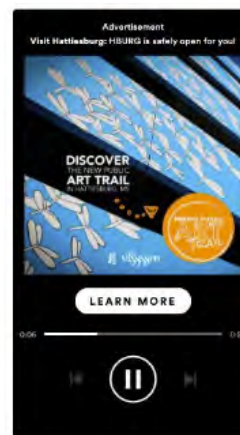


In 2019, VisitHATTIESBURG started a long-range strategic plan process, which upon completion would **provide a road map to tourism development for Hattiesburg for the next five years**

**in HBURG.** The data driven report would put Hattiesburg on the same playing field as both its in-state and out-of-state competitor destinations.

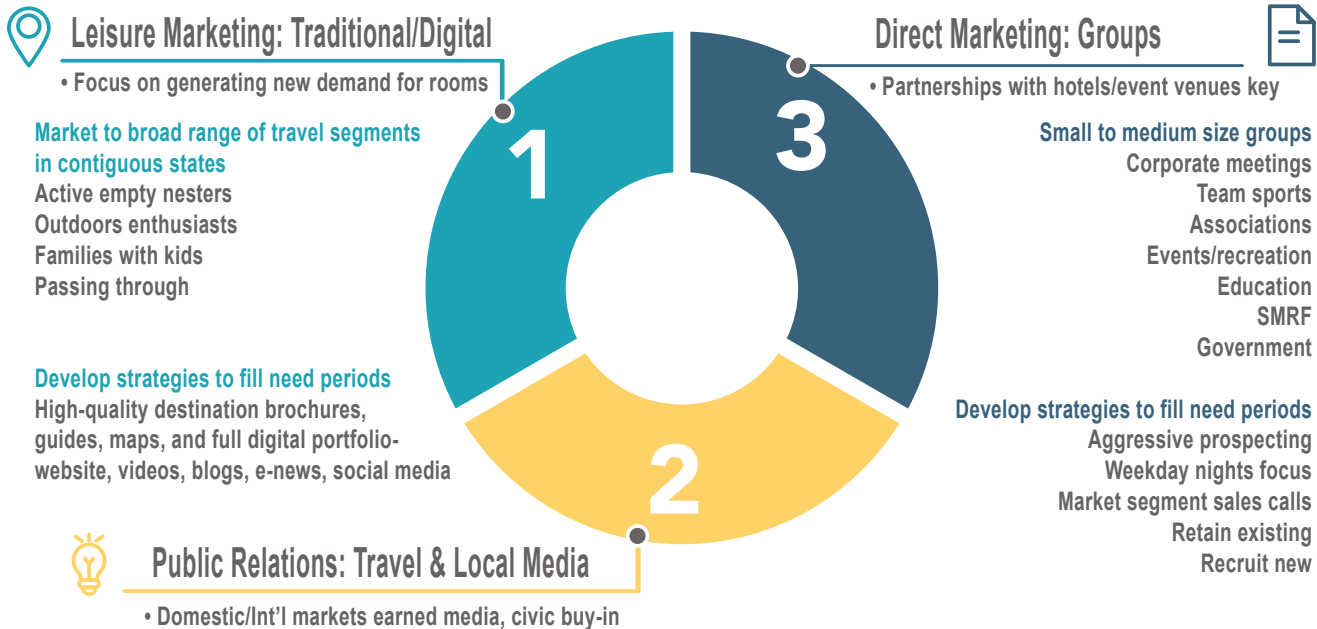
Through the strategic plan process, VisitHBURG **discovered top visitor destinations within the city**, including The Lucky Rabbit, the Hattiesburg Zoo, Turtle Creek Mall, The University of Southern Mississippi, and Forrest General Hospital, **as well as who visits HBURG and what they want to do when they arrive.**

The question then became, how can we use this knowledge to best market Hattiesburg and share the destination’s story. The team unrolled its five-year plan for tourism development just days before COVID-19 cases were diagnosed in Forrest and Lamar counties. **Pivoting, VisitHATTIESBURG set out to continue fulfilling its mission, while acting as a catalyst for recovery in the city, providing services and communication to local partners, supporting meeting venues and event spaces, and sharing options for safe travel to the destination by targeting potential visitors with Safely Open messaging that highlighted our outdoor recreation options, new trails and tours.**



DIGITAL & AUDIO ADS ON SPOTIFY

# STRATEGY ONE: DRIVE GROWTH IN GROUP & LEISURE



# STRATEGY TWO: CREATING A DYNAMIC DESTINATION

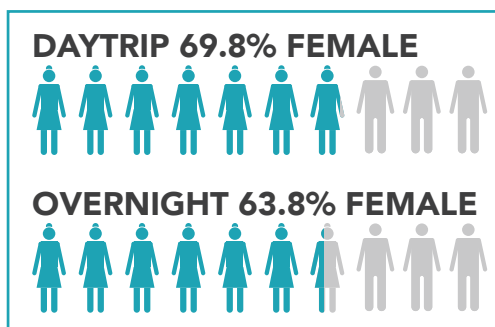


# HATTIESBURG VISITOR PROFILE

YOUNG STRATEGIES & ENTRADA INSIGHTS, 2019

Hattiesburg was recently recognized as **home to the second highest percentage of millennials compared to other major cities in the Gulf South**. As tourist profiles ever-evolve and Hattiesburg has added more offerings, VisitHATTIESBURG recognized an industry shift and proactively updated marketing materials. By sharing HBURG's story in a fun and creative way that also incorporates digital advances, VisitHATTIESBURG developed more user-centered collateral.

Matching VisitHBURG.org's refreshed and responsive look, new print materials amplify Hattiesburg as a destination and premier city in the Gulf South. These **products are representative of the diversity of accommodations, eateries, shops, and attractions that make up tourism in HBURG**.



MORE THAN **70%** OF VISITORS SURVEYED SAID **LOCAL DINING, FESTIVALS/EVENTS, & TOGETHERNESS** WERE IMPORANT ATTRIBUTES OF A DESTINATION

HBURG VISITORS ARE **EDUCATED**  
40% DAYTRIP / 47% OVERNIGHT HAVE A COLLEGE DEGREE

HBURG VISITORS TRAVEL WITH **TWO PEOPLE PER PARTY** OFTEN COUPLES WITHOUT CHILDREN

MOST VISITORS **DRIVE**  
99% DAYTRIP / 90% OVERNIGHT  
**FEEDER MARKETS:** BIRMINGHAM MONTGOMERY, MOBILE, JACKSON NEW ORLEANS, DALLAS, HOUSTON COASTAL MS AND NONMETRO MS

**97%** OF VISITORS WANT TO **EAT LOCAL**

**AVERAGE AGE: 48.5**  
AGE 47 DAYTRIP / 50 OVERNIGHT

**66%** OF VISITORS ARE **EMPTY-NESTERS**

**TOP 3** VISITOR ACTIVITIES  
**DINING, SHOPPING & VISITING FRIENDS/RELATIVES**

HBURG ENTERTAINS **46% SOLO TRAVELERS**  
38% COUPLES / 14% FAMILIES

**95.4%** VISITORS WOULD **RECOMMEND HBURG**

## TARGET AUDIENCES (BEHAVIOR)

- OUTDOOR ENTHUSIASTS
- MULTI-GENERATIONAL FAMILIES
- GIRLFRIEND GETAWAYS
- ACTIVE EMPTY NESTERS
- MEETINGS & ASSOCIATIONS
- TEAM SPORTS GROUPS
- MOTORCOACH & GROUP TOURS
- BUSINESS TRAVELERS
- THOSE PASSING THROUGH

# A NOTE FROM OUR DIRECTOR



While most destinations are still reeling from COVID-19's devastating economic impact on the travel industry, few locales have successfully pivoted and adapted as quickly as Mississippi. **Through swift state legislative action and new pandemic-appropriate visitor campaigns, Mississippi emerged as an innovative leader in tourism recovery. Among Mississippi's destinations outpacing many U.S. markets is Hattiesburg.**

The wrath of COVID-19 was felt by all parts of the economy, with tourism and travel being among the hardest hit. Destination leaders united to find a solution and a path for recovery. This led to the state legislature allocating CARES Act funding to DMOs for marketing related to the business disruption effects of the Coronavirus Disease 2019. That was July 2020, and a recovery lifeline was within reach.

By Dec. 2020, equipped with recovery funding and a renewed mission, Mississippi destinations benefited from faster recovery than the rest of the country. In fact, **U.S. Travel Association and Tourism Economics cited Mississippi as the top tourism market in the country for travel that month in year-over-year visitor spending.**

The Mississippi Tourism Recovery Fund provided us with a golden opportunity to share Hattiesburg's story. Our **strategic, data-driven approach** had to strike the perfect balance - share our compelling story in available markets while also clearly communicating vital public health information and social distancing protocols. From there, Hattiesburg's 'Safely Open for You' campaign came to life, highlighting many of our destination's unique assets.

Adapted tourism development was critical, and we focused on creating new ways for visitors to safely enjoy Hattiesburg. As an industry, our combined efforts extend far beyond just filling hotel rooms, restaurants, and attractions. Hattiesburg competes for tourists, consumers, and available workforce talent to strengthen its numerous economic development sectors. **Visitor spending yields hundreds of millions in revenue, supports thousands of local jobs, spurs private sector capital investments, and greatly enhances quality of life for residents.**

The last several months have presented unprecedented challenges for the hospitality industry, but we are **encouraged by our progress in Hattiesburg.** We made a commitment to find solutions and do our part, not just locally but throughout the state. In working with other destinations and leaders in Mississippi, we will continue to be bold and innovative, leading the way for all to experience the joy of travel again as doors safely reopen in our country's great destinations.



At the Mississippi Tourism Association Governor's Conference on Tourism, Dorsey was named MTA Member of the Year for her work in advocating for CARES Act funding for tourism statewide. She was nominated for this top honor by 16 fellow tourism executive directors statewide. Pictured L to R: Frank James, HTC Chair, Melanie Archer, HTC Commissioner; Dorsey, and Michael Marks, HTC Commissioner.

## TOURISM SERVICE:

MISSISSIPPI TOURISM ASSOCIATION,  
PRESIDENT

MISSISSIPPI DESTINATION MARKETING  
ASSOCIATION, FOUNDING MEMBER

VISITMISSISSIPPI DEDICATED FUNDING  
ADVISORY BOARD

MISSISSIPPI MAIN STREET ASSOCIATION,  
TREASURER

RESTART MS COVID-19 TASK FORCE,  
HOTELS/TOURISM COMMITTEE CHAIR

MAYOR BARKER'S COVID-19 TASK FORCE,  
HOTELS/TOURISM

DOWNTOWN HATTIESBURG  
ASSOCIATION, EXECUTIVE BOARD

HATTIESBURG CONCERT ASSOCIATION

# TOURISM RECOVERY RESULTS IN HATTIESBURG

In Sept. 2020, Hattiesburg launched the “**Safely Open for You**” campaign in top drive markets. With additional dollars from CARES, VisitHBURG.org saw a substantial increase across all targeted markets.



## TOP HBURG MARKETS GROWTH YEAR OVER YEAR 2020 VS 2021

1. BIRMINGHAM: **1,899%**
2. MEMPHIS: **1,275%**
3. ATLANTA: **186%**
4. MOBILE: **1,613%**
5. JACKSON: **76%**
6. NEW ORLEANS: **48%**
7. DALLAS/FT. WORTH: **140%**
8. MONTGOMERY: **5,433%**
9. BATON ROUGE: **803%**
10. FLORIDA PANHANDLE: **797%**

**192,000 NEW WEBSITE USERS**  
AUG. 2020 - JULY 2021

# ADDITIONAL FUNDING FUELED HATTIESBURG'S RECOVERY

With a focus on destination recovery and growth, VISITHATTIESBURG invested tourism marketing dollars into an **integrated marketing campaign**.



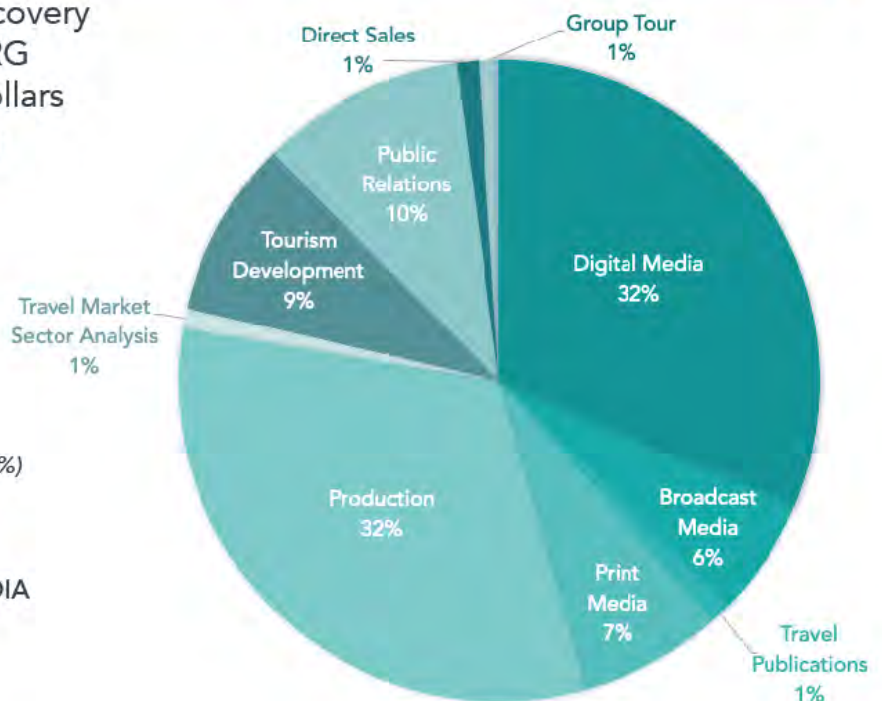
**408,897,765**  
TOTAL IMPRESSIONS



**8.5% CTR**  
(INDUSTRY BENCHMARK 4.68%)



**\$220,667.00**  
ADDITIONAL EARNED MEDIA  
FROM PUBLIC RELATIONS  
AND VIRTUAL TOURS

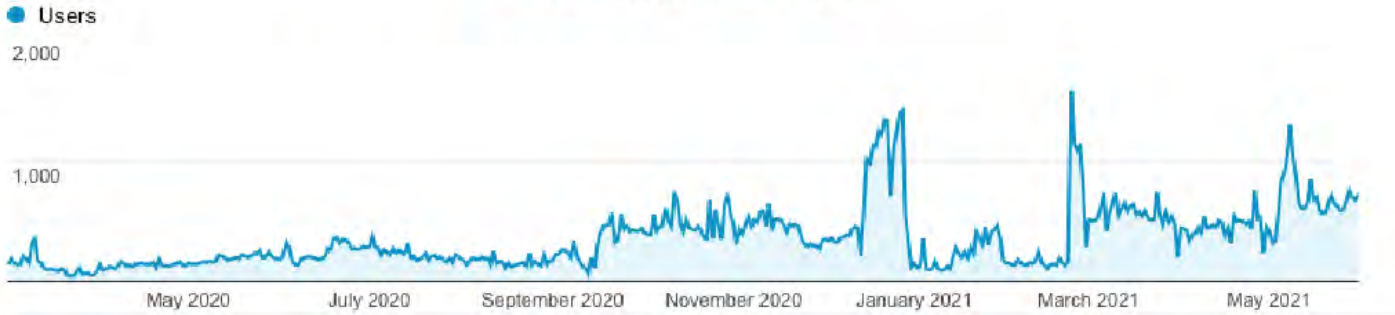




# STRATEGIC GROWTH IN HATTIESBURG

## VISITHBURG.ORG WEBSITE ANALYTICS

MARCH 2020 - MAY 2021



USERS  
**143,021**

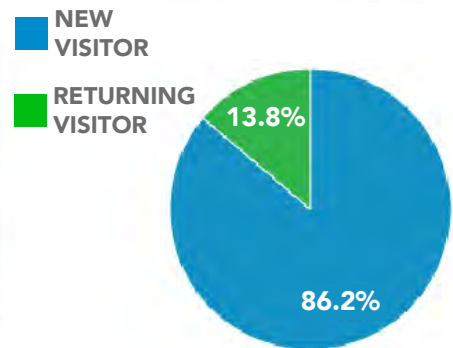
NEW USERS  
**142,273**

SESSIONS  
**218,991**

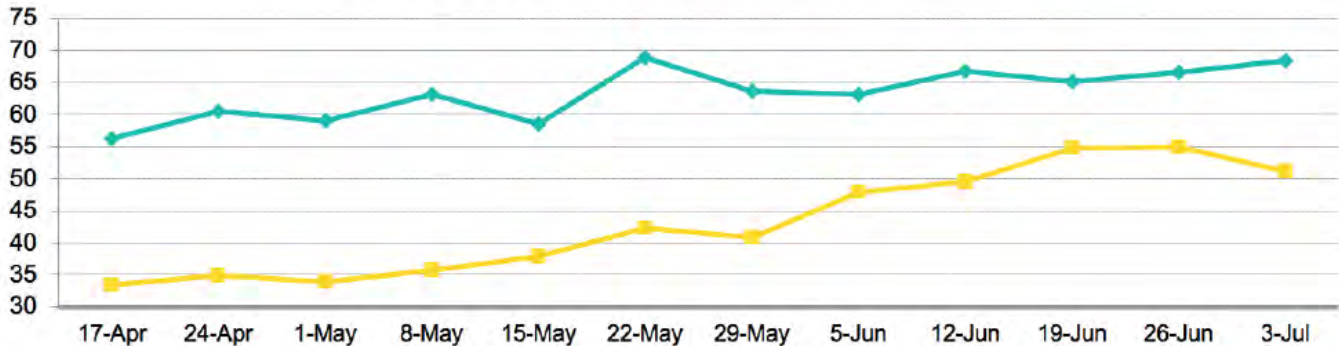
# OF SESSIONS / USER  
**1.53**

PAGEVIEWS  
**429,014**

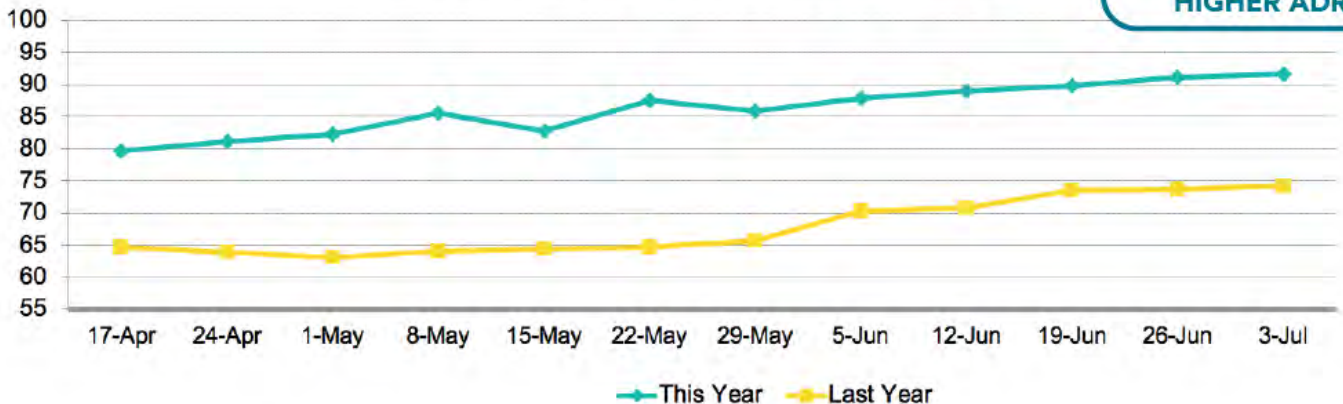
PAGES / SESSION  
**1.96**



### Weekly Occ (%) - Apr 17, 2021 to Jul 03, 2021



### Weekly ADR - Apr 17, 2021 to Jul 03, 2021

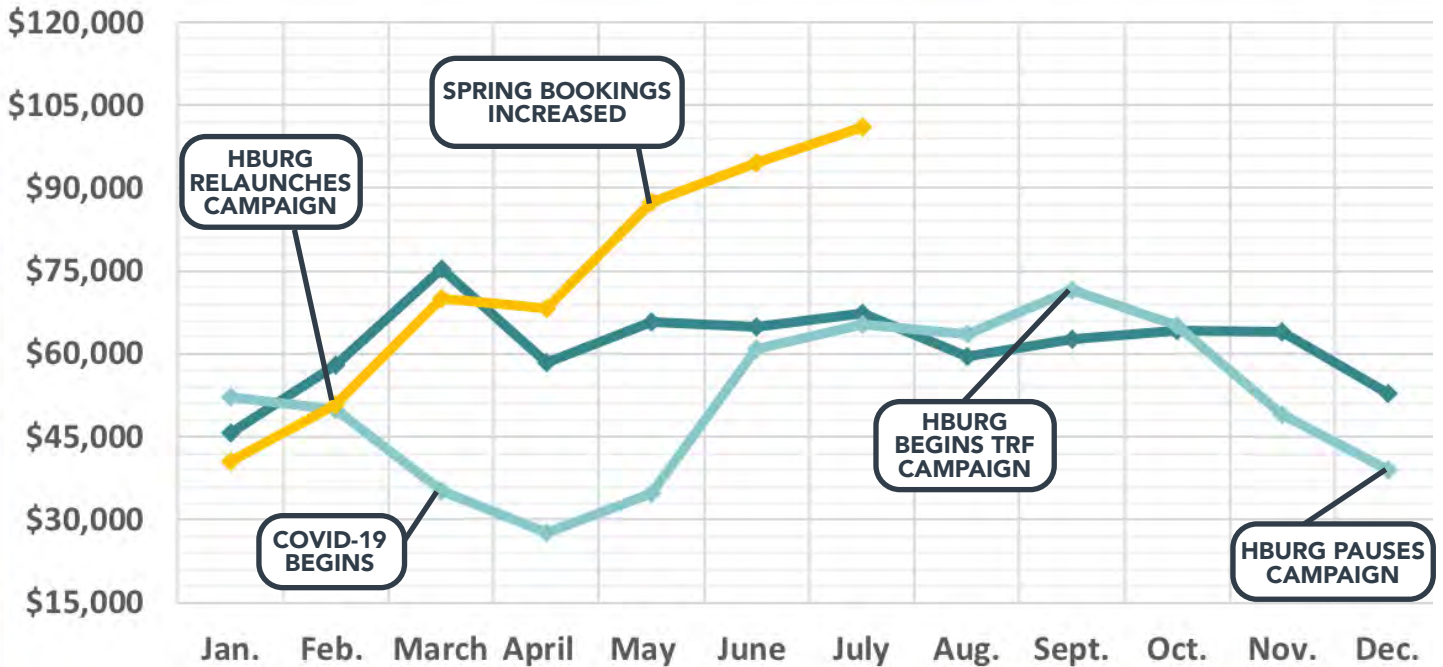


INCREASED TRAVEL DEMAND YIELDED HIGHER ADR

# TOURISM MATTERS IN HATTIESBURG

## Hattiesburg 2% Hotel Tax Year-Over-Year

Hotel: 2019    Hotel: 2020    Hotel: 2021



**DAYTRIPPERS**  
SPEND AN AVERAGE OF  
**\$191.72**  
PER TRAVEL PARTY IN HBURG

**OVERNIGHTERS**  
SPEND AN AVERAGE OF  
**\$498.42**  
PER TRAVEL PARTY IN HBURG



Data based on VisitHATTIESBURG's 2019 Visitor Profile research.



**HBURG VISITOR SPENDING**  
**\$300M**  
FY2019

**HBURG VISITOR SPENDING**  
**\$257M**  
FY2020



# IMPRESSIVE RESULTS IN HATTIESBURG

With more funding to market Hattiesburg as a destination, VisitHATTIESBURG saw historic results across all platforms.

<p><b>DIGITAL CAMPAIGNS</b>  <b>43,628,196 IMPRESSIONS</b>          VIA DISPLAY, CPC, SEM,          SPOTIFY, YOUTUBE, ETC</p>			<p><b>VISIT WIDGET</b>  <b>MOBILE &amp; WEB APP</b>          LAUNCHED NOV. 2020          12,182 USERS  <b>28,553 PAGEVIEWS</b></p>
<p><b>PUBLIC RELATIONS</b>  <b>LOU HAMMOUD GROUP</b>  <b>365,269,569 REACHED</b>          FROM 1,300 PITCHES          NATIONWIDE</p>			<p><b>THRESHOLD 360</b>  <b>VIRTUAL TOURS</b>  <b>823,645 GOOGLE VIEWS</b>          54 HOURS VIDEO TIME</p>
<p><b>EXPEDIA CAMPAIGN</b>          4.4 MILLION IMPRESSIONS          RESULTED IN  <b>2,838 ROOM NIGHTS</b>          MORE THAN <b>\$275,000</b> IN          HBURG HOTEL BOOKINGS</p>			<p><b>PRINT CAMPAIGN</b>  <b>900,000+ REACHED</b>          NEW PUBLICATIONS          &amp; PRODUCTION</p>

# SPOT HBURG IN THESE PUBLICATIONS

		
	<p>PLAID SHIRT          YOGA PANTS</p> 	<p>THROUGH HEATHER'S  <i>Looking Glass</i></p>
		
		
		

# SAFELY OPEN FOR YOU CAMPAIGN ADS

Digital · Social · Display · Videos · Print · Billboard

AMAZINGLY  
**OPEN**

TAKE A BITE  
OUT OF THE NEW  
BURGER TRAIL  
IN HATTIESBURG, MS

VISIT MISSISSIPPI  
HATTIESBURGER TRAIL

HATTIESBURG, MS  
YEAR-ROUND  
CYCLING

GRAB  
YOUR  
GEAR

CLICK TO EXPLORE MORE

#VISITMS RESPONSIBLY

GRAB  
YOUR  
GEAR

CLICK TO EXPLORE MORE

HATTIESBURG, MS  
#VISITMS RESPONSIBLY

DISCOVER  
THE NEW PUBLIC  
ART TRAIL  
IN HATTIESBURG, MS

HATTIESBURG PUBLIC ART TRAIL

VISIT MISSISSIPPI

HATTIESBURG  
ARTFULLY  
OPEN

SAFELY OPEN FOR YOU

VISITHBURG.ORG  
#VISITMS RESPONSIBLY

HISTORICALLY  
OPEN

SAFELY OPEN FOR YOU

VISITHBURG.ORG  
#VISITMS RESPONSIBLY

WILDLY  
OPEN

SAFELY OPEN FOR YOU

VISITHBURG.ORG  
#VISITMS RESPONSIBLY

TASTEFULLY  
OPEN

SAFELY OPEN FOR YOU

VISITHBURG.ORG  
#VISITMS RESPONSIBLY

REFRESHINGLY  
OPEN

SAFELY OPEN FOR YOU

VISITHBURG.ORG  
#VISITMS RESPONSIBLY

EXPERTLY  
OPEN

HATTIESBURG, MS  
#VISITMS RESPONSIBLY

BEAUTIFULLY  
OPEN

SAFELY OPEN FOR YOU

VISITHBURG.ORG  
#VISITMS RESPONSIBLY

CREATIVELY  
OPEN

SAFELY OPEN FOR YOU

VISITHBURG.ORG  
#VISITMS RESPONSIBLY

A SHORT  
DRIVE  
AWAY!

HATTIESBURG  
ARTFULLY  
OPEN

BIRTHPLACE OF ROCK 'N' ROLL

HATTIESBURG  
#VISITMS RESPONSIBLY

# TOURISM DEVELOPMENT IN HATTIESBURG

As the need for safely distanced activities grew, Hattiesburg turned its focus to enhancing current outdoor recreation options and developing tours and trails. VisitHATTIESBURG launched the Hatties[BURGER] Trail in October 2020, the HBURG Public Art Trail in March 2021, and the Pinebelt Blueways extension in May 2021.



The HBURG Public Art Trail highlights more than **40 murals and sculptures** in public areas throughout the city. VisitHATTIESBURG, through its art program, the Hattiesburg Alliance for Public Art, has unveiled 11 murals since January 2020.

Trail signage installed at each location



Professional photos of 40+ public art installations in Hattiesburg captured



Brochure with map developed

The Hatties[BURGER] culinary trail features more than **30 local eateries** with hamburgers on their everyday menu. The trail name is a nod to the local moniker for residents.

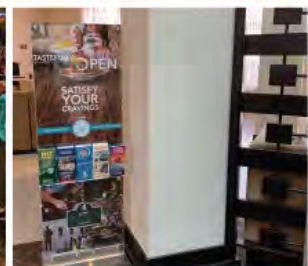


## IN-MARKET STRATEGIES

Following VisitHATTIESBURG's analysis in 2019, a need for in-market communication was discovered. To meet this demand, VisitHBURG used a portion of the TRF funds to develop and **provide brochure kiosks and hotel key cards to area hotels and points of interests.**



The Lucky Rabbit



Double Tree by Hilton

# VISITOR EXPERIENCE IN HBURG

VisitHBURG launched two new virtual planning options for visitors - VisitWidget and Threshold360. These two services enable visitors, group tour operators, meeting planners, coaches, and others to customize their stay from a safe distance.

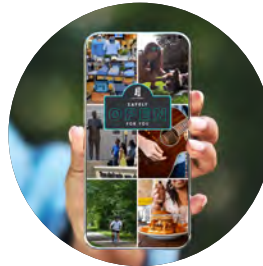
## THRESHOLD 360

Virtual Tours of 99 HBURG locations, including meeting spaces, hotels, attractions, and restaurants



## VISIT WIDGET TRIP PLANNER

VisitHBURG App · Mobile / Desktop Trip Builder  
Driving / Walking Directions · Easily Share Plans with Friends · Completely Customizable for User



## NEW ATTRACTIONS MAP

WELCOME TO HATTIESBURG, MS!

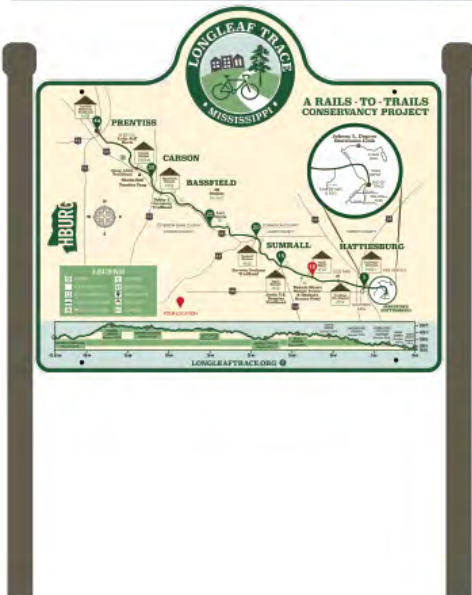


# OUTDOOR RECREATION SUPPORT IN HBURG

VisitHATTIESBURG continues to collaborate with area outdoor recreation attractions to enhance the visitor experience. In spring 2021, VisitHATTIESBURG assisted with the official launch of the Pinebelt Blueways extension, which consists of 52.3 miles of recreational waterway on the Leaf and Bouie Rivers that had previously been undeveloped. This official launch consisted of a media event and signage updates, as well as website, brochure and map development. Additionally, the DMO has been a longtime partner of the Longleaf Trace, the south's premier biking and hiking trail. Beginning in Downtown Hattiesburg, the 44-mile paved path continues through the city and on to Sumrall, Prentiss, Bassfield, and Carson.

**Outdoor recreation development is a growing sector, and VisitHATTIESBURG will continue to pursue strategic development opportunities to expand its greenway and blueway offerings.**

A GREAT PLACE TO VISIT IS ALSO A GREAT PLACE TO LIVE.



# HBURG TOURISM GRANT PROGRAM

Established in 2019, VisitHATTIESBURG’s Tourism Grant Program (TGP) is an annual allocation designed to enhance visitor and tourism promotion efforts in Hattiesburg. TGP provides funds for marketing and other qualified expenses for projects / events that fulfill VisitHATTIESBURG’S mission and, ultimately, increase overnight travel to Hattiesburg.

## QUALIFYING PROGRAMS AND EVENTS

Eligible applicants for funding include an organization/event/project whose objective is to promote Hattiesburg’s tourism industry to out-of-town visitors by generating overnight travel and economic stimulus to the city. The target audience should be outside the immediate Hattiesburg area (over 50- mile radius or out-of-state).

Qualifying entities may be attractions, associations, organizations or governmental agencies which promote their event, products and/or services to visitors from outside the area. Qualified grant projects should be classified in one of the following categories:

- Festival / Event
- Attraction / Public Use Facility: Museums, historical buildings, meeting space, sporting facilities, etc.
- Other organizations/associations with a primary objective of promoting tourism in Hattiesburg

*All FY21 funded projects must have complied with local, state, and national Covid-19 and safety guidelines. Some FY20 projects were eligible to roll funding forward due to the 2020 COVID-19 pandemic.*



## FY21 TGP RECIPIENTS

MISSISSIPPI  
GRAVEL CUP

MISSISSIPPI  
RAIDERS  
FOOTBALL

LIVE AT FIVE

HATTIESBURG 1/2  
MARATHON

FARM TO FORK

CAMP SHELBY  
MEMORIAL DAY  
CEREMONY

DOG DAYS 5K

FESTIVALSOUTH

DOWNTOWN  
CRAWFISH JAM

HBURG PUBLIC  
SCHOOL DISTRICT  
HALL OF FAME  
GALA

MIDTOWN SOUNDS  
(1<sup>ST</sup> TIME EVENT)

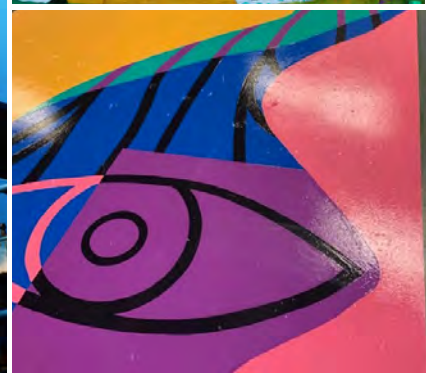
PEPPERJACK  
MUSIC FESTIVAL  
(1<sup>ST</sup> TIME EVENT)



# HATTIESBURG ALLIANCE FOR PUBLIC ART



In 2020, the Hattiesburg Alliance for Public Art (HAPA), a program of VisitHATTIESBURG, unveiled **nine new murals** throughout Downtown Hattiesburg. These murals, now a part of the HBURG Public Art Trail, enhance the visitor experience, quality of life, and beauty of their neighborhoods.



Picture L to R: *Wonderful Day*, Ricardo Moody; *Let's Go*, Spence Townsend; *Suffrage*, Heidi Peitre; *New Normal*, Andrea Kostyal; *Hub City, Smile*, River Prince; *#WhatLiftsYou*, Kelsey Montague; *Your Life Matters*, George Brown; *Birthplace of Rock N Roll*, River Prince; *Yellow Brick Road*, Ricardo Moody

# MISSISSIPPI MISS HOSPITALITY

## HATTIESBURG HAS SERVED AS HOME TO THIS STATE COMPETITION FOR 24 YEARS.

Mississippi Miss Hospitality program continued this year at the Hattiesburg Saenger Theater. The winner of the competition, which consists of panel interview, one-on-one interviews, Mississippi speeches, and hometown commercials, serves as the **state's goodwill ambassador for tourism and economic development** during the next year.



**Jane Granberry** was crowned the **72<sup>nd</sup> Mississippi Miss Hospitality** in July 2021. A Hattiesburg native, Granberry will spend the year sharing Mississippi's story across the state and country. Jane is studying integrated marketing communications and history at the University of Mississippi and plans to work in health communication. She is a member of the Rebellettes Dance Team, Ole Miss Ambassadors, and Kappa Kappa Gamma sorority. Jane is also in the honors college and Lambda Sigma Honors Society.



## MISSISSIPPI MISS HOSPITALITY 2021 WINNERS

### TOP FIVE CONTESTANTS:

- Jane Granberry, Hattiesburg
- Becca Childers, New Albany (1<sup>st</sup> alternate)
- Cassidy Young, Pontotoc County (2<sup>nd</sup> alternate)
- Sara Hederman, Ridgeland (3<sup>rd</sup> alternate)
- Landry Payne, Neshoba County (4<sup>th</sup> alternate)

### MISSISSIPPI SPEECH:

- Grace Robbins, Petal
- Cassidy Young, Pontotoc County
- Landry Payne, Neshoba County

### PRELIMINARY COMPETITION:

- Addison-Blair Dyess, Lamar Co. (Spirit of Hospitality)
- Kaitlyn Bradford, Marion County (Social Media)
- Keely Skellion, Ellisville (Most Photogenic)
- Karlie Jordan, Lawrence County (Top Ad Sales)

## 2020 MISSISSIPPI MISS HOSPITALITY MCKAY LEE BRAY

As the official ambassador for tourism and economic development, McKay Lee visited all areas of the state of Mississippi, meeting with elected officials and making appearances at top events and attractions.



# HBURG'S NATIONAL TRAVEL & TOURISM WEEK

National Travel and Tourism Week (NTTW), an annual recognition of the contributions of the U.S. travel industry, spotlighted the *Power of Travel* and its collective strength and impact on economic recovery.

While the travel industry experienced year-over-year losses as a whole, **Mississippi fared better than every other state** in post-pandemic recovery, according to U.S. Travel Association. As one of Mississippi's top destinations, Hattiesburg strategically marketed its tourism offerings through a *Safely Open for You* campaign. **Hattiesburg experienced less visitor spending losses than most other destinations.** During the last year, partners worked closely with VisitHBURG to implement best practices in safety, cleanliness, and enhanced guest communication, which were critical to Hattiesburg's tourism recovery during the pandemic.



In lieu of its annual Shining Stars Luncheon, VisitHBURG hosted an appreciation event at the Historic Train Depot for tourism partners throughout Greater Hattiesburg. Later in the week, hotel partners were officially recognized at their individual properties for their dedication and resilience during the last year.



# HBURG RESTAURANT WEEK

## HIGHLIGHTS

- More than 40 local eateries highlighted on the 2020 Foodie Guide, the most ever!
- Provided branded masks and sanitizer to participating restaurants to promote safe travel and dining in Hattiesburg.
- Provided participating eateries with branded coasters and bill inserts to promote the week to patrons.
- Launched the Hatties[BURGER] Trail, complete with brochures and signage at participating stops.
- Promoted Downtown Hattiesburg Culinary Crawl on Tuesday.
- Promoted a West Hattiesburg / Newpointe Shopping Center take-out culinary feast on Wednesday.
- Promoted daily social media giveaways using #EatHBURG.

## MEDIA COVERAGE

- HATTIES[BURGER] Trail news conference covered by WDAM and WHLT
- Evening newscasts by WDAM (2)
- Hattiesburg American articles (2)
- Pinebelt News articles (2)
- Morning show interview on B95 radio station
- Morning Show interview on Rock 104 radio station
- Signature Magazine ad - pull page, October, 2020
- 30-second commercial aired week-long on B95, KZ94.3, Rock 104, and Alive 96.5



Personal Protective Supplies Provided to Eateries

## HATTIESBURG RESTAURANT ASSOCIATION

- Developed in early 2020 as an informational communication channel between VisitHATTIESBURG and local restaurants.
- Restaurants can share daily/weekly/monthly specials, events, operation updates, etc., with VisitHATTIESBURG so that we can reshare it to our platforms.
- When the COVID-19 pandemic reached Hattiesburg, the HRA was used to communicate best practices with area restaurants, including cleaning and sanitizing protocols, mask mandates, curfews, and special allowances.
- Used to gather information from area restaurants on reopening and recovery moving forward.



Restaurant Week 2020 Promotional Coasters



New HATTIES[BURGER] Trail Press Conference

# DOWNTOWN HATTIESBURG SUPPORT

In 2017, VisitHATTIESBURG and the Downtown Hattiesburg Association entered a cooperative agreement, through which VisitHBURG would act as the marketing agency for overall Downtown programs and promotions. The agreement includes development of campaign collateral, service on the DHA board, and event support.



## 2020 - 21 HIGHLIGHTS

- Developed *Get Out & Get Downtown* campaign to encourage visitors and locals to return to downtown restaurants, shops, and events while maintaining safe practices and social distancing.
  - Campaign reflected seasonal updates for DHA for fall, holidays, spring and summer.
  - *Get Out & Get Downtown* campaign won top promotion award at Mississippi Main Street Association Awards, July 2021
- Designed wayfinding signage and assisted with placement, layout, and content.
- Supported DHA as it pivoted on many annual events, including the Hattiesburg Craft Beer Festival. HCBF serves as DHA's largest annual fundraiser; however, it could not continue in its normal presentation due to COVID-19. VisitHATTIESBURG assisted DHA with event changes and implementation to present the first ever Brews & Bites event. Brews & Bites featured five food trucks, each paired with two craft beers, live music, games, and more.



# HBURG GROWTH – 10 YEAR REVIEW

- 2010**
- Blues Trail Marker unveiled at Hi-Hat Club location
  - Inaugural FestivalSouth
  - VisitHBURG hosted Tradition/Innovation art exhibit
  - HBURG visitors spent \$241 million

- 2011**
- Hattiesburg Flag Plaza opened
  - VisitHBURG and Downtown Assoc. hosted New Harmonies art exhibit
  - HBURG visitors spent \$225 million

- 2012**
- Hattie Mural unveiled at the Visitors Center
  - NTTW campaign received Research-In-Action Award
  - HBURG visitors spent \$233 million

- 2013**
- Inaugural Hattiesburg Craft Beer Festival

- 2014**
- HBURG Zoo opened Asbury Discovery Center
  - HBURG visitors spent \$255 million

- 2015**
- HBURG Zoo unveiled Hattie the Elephant statue
  - Hattiesburg Association for Public Art founded
  - VisitHBURG received Tourism Office of the Year Award at the Governor's Conference on Tourism
  - HBURG visitors spent \$258 million

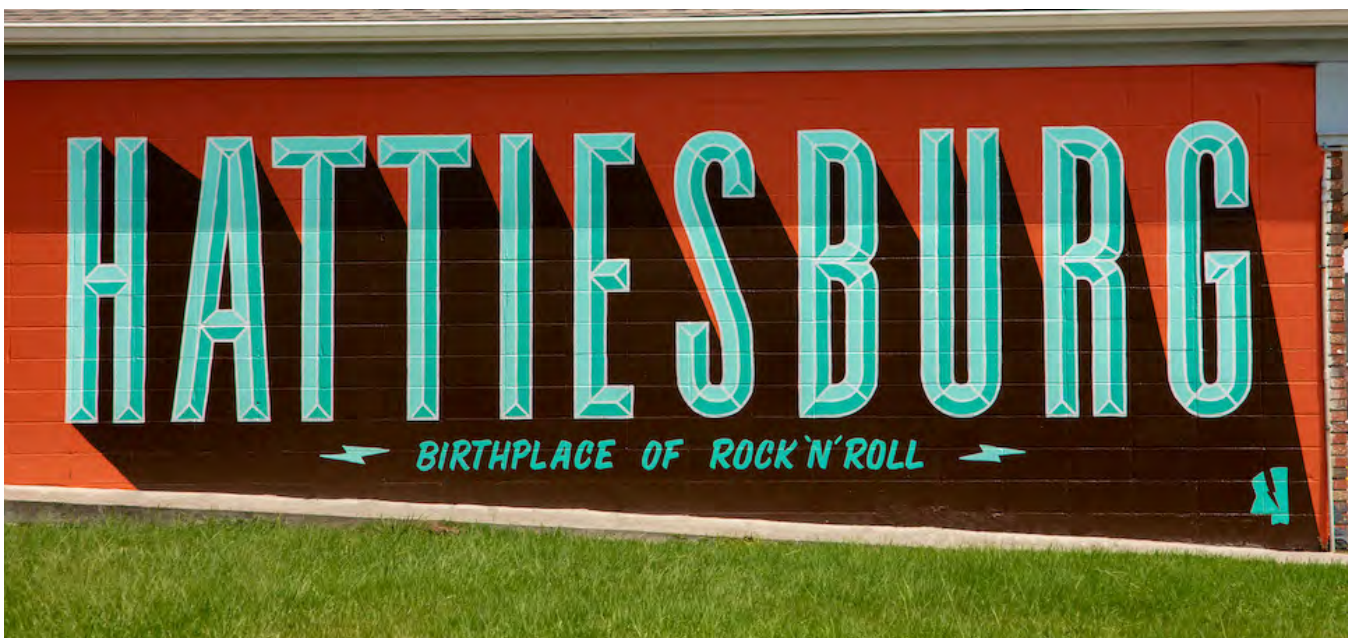
- 2016**
- Launched Ales to Trails campaign
  - VisitHBURG partnered with Longleaf Trace on lighting project
  - HBURG visitors spent \$274 million

- 2017**
- Released new promotional campaign, which included a website and video and larger social media presence, and won Best Overall Promotional Campaign at MS Governor's Conference on Tourism
  - Hosted regional MSAE Conference
  - Light pole banner project on Hwy 49 and in Downtown
  - Marketing and Publicity Chair for Camp Shelby's Centennial Celebration

- 2018**
- Marlo Dorsey named Executive Director of VisitHBURG
  - VisitHBURG supported the MS Bicentennial Project
  - Hosted Travel South USA Showcase's pre-FAM tour
  - Named a top 25 holiday shopping destination by Expedia
  - HBURG visitors spent \$292 million

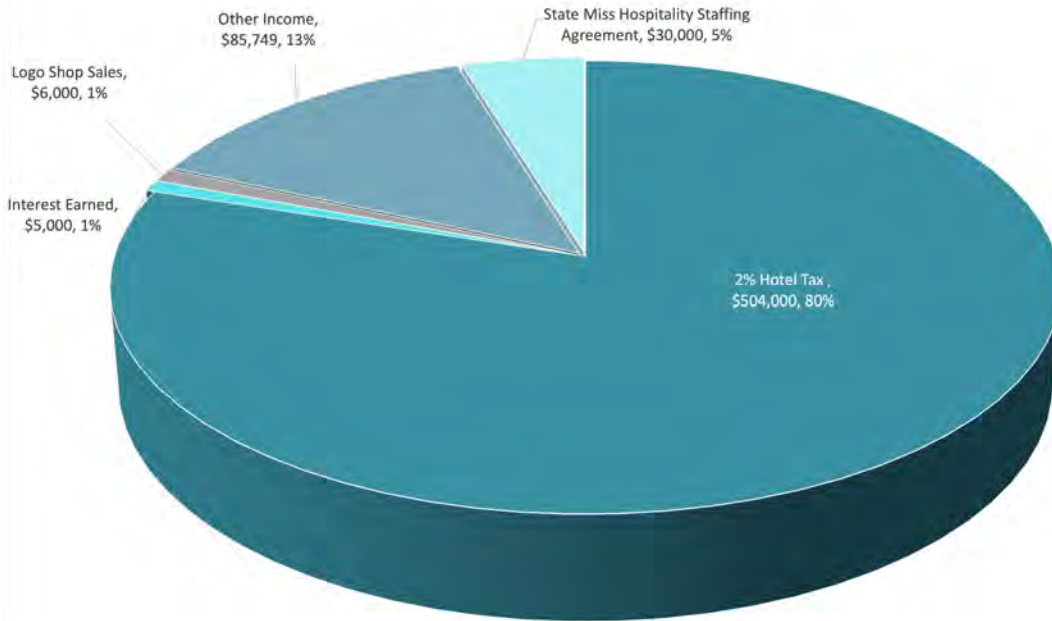
- 2019**
- VisitHBURG launched inaugural Hattiesburg Restaurant Week
  - Created HBURG Hotel & Hospitality Association
  - Celebrated 70 years of the Mississippi Miss Hospitality Competition (22nd in HBURG)
  - Rebranded the Longleaf Trace with updated signage, website, brochure and other assets
  - Relaunched the 1964 Freedom Summer Trail with updated branding, audio tour, signage, map and website
  - Provided signage at Tatum Sportplex
  - Designed map and signage for Pinebelt Blueways
  - NTTW18 Campaign received Tourism Achievement Award at MS Governor's Conference on Tourism
  - Started longterm strategic planning process with Young Strategies for VisitHBURG
  - Continued cooperative agreement with Downtown Hattiesburg Association to promote destination building and visitor growth
  - Launched the Tourism Grant Program for local events and organizations, providing \$25K in support
  - HBURG visitors spent \$300 million

- 2020**
- HBURG received Tourism Recovery Funding from the CARES Act to be used for marketing activities related to the business disruption effects of COVID-19
  - HAPA unveiled nine new large-scale murals
  - HBURG visitors spent \$257 million



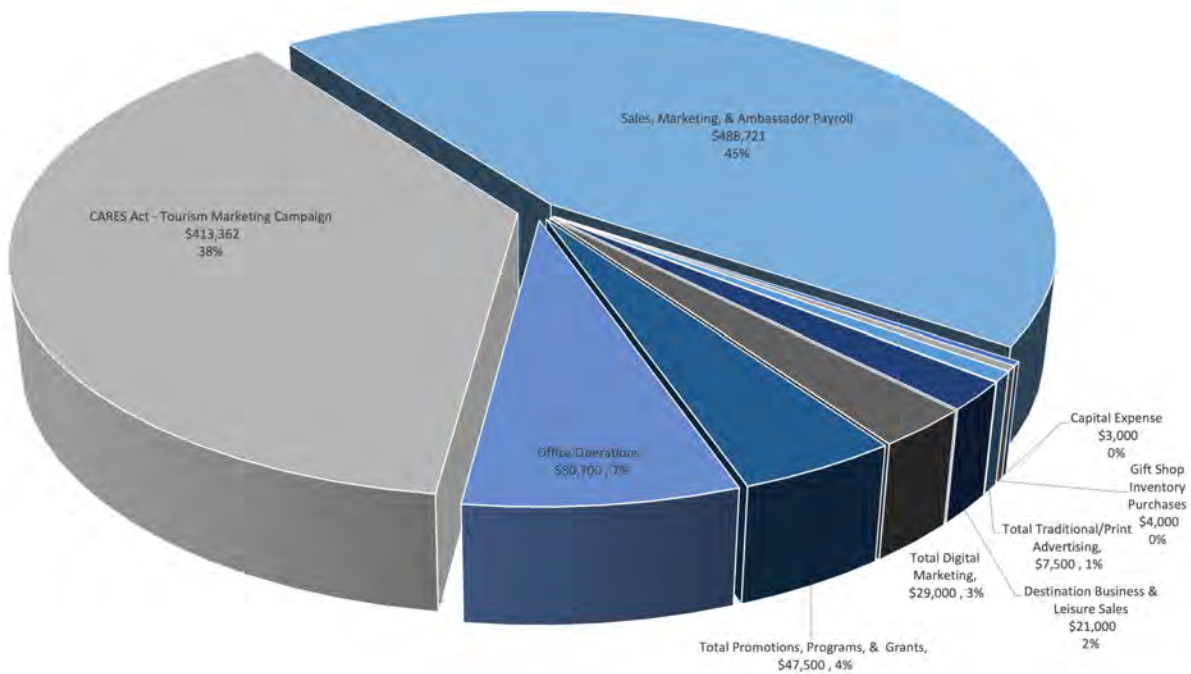
# FY2021 BUDGET

## FY2021 PROJECTED INCOME



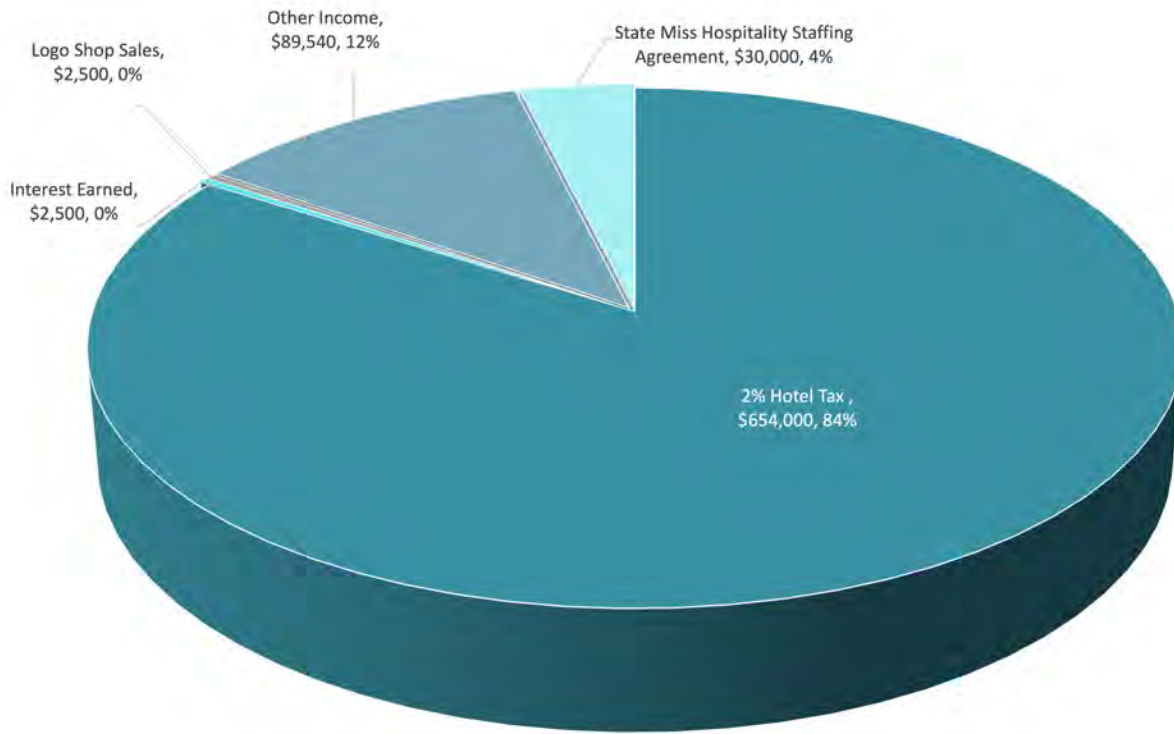
In August 2020, VisitHATTIESBURG received, \$499,856 from the CARES Act Tourism Recovery Fund. See page 8 for a breakdown of this investment and expenditures.

## FY2021 EXPENSES



# FY2022 BUDGET

## FY2021 PROJECTED INCOME







# VISITHATTIESBURG

VISITHBURG.ORG

#VISITHBURG



DOWNLOAD THE "VISIT HBURG" APP  
ON THE GOOGLE AND APPLE STORES



**HATTIESBURG TOURISM COMMISSION**  
*(VISIT HATTIESBURG)*

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2021 and 2020**

**HATTIESBURG TOURISM COMMISSION**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 and 2020**

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Certified Public Accountants

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Mississippi Society of Certified  
Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hattiesburg Tourism Commission

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hattiesburg Tourism Commission as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### **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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hattiesburg Tourism Commission, as of September 30, 2021 and 2020, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Schedule of Commission's Proportionate Share of the Net Pension Liability, and the Schedule of the Commission's Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022, on our consideration of the Hattiesburg Tourism Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our 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 Hattiesburg Tourism Commission's internal control over financial reporting and compliance.

*King CPA, PLLC*

KING CPA, PLLC  
Petal, Mississippi  
October 25, 2022

**HATTIESBURG TOURISM COMMISSION**

**FINANCIAL STATEMENTS**

## HATTIESBURG TOURISM COMMISSION

STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2021 AND 2020

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,831,136	\$ 1,988,083
Due from other governments	192,225	135,095
Other receivables	21,579	36,637
Inventory	16,166	10,692
Fixed assets, net	3,407	5,168
TOTAL ASSETS	<u>2,064,513</u>	<u>2,175,675</u>
<b>Deferred Outflow of Resources</b>		
Deferred outflow related to pensions	<u>225,635</u>	<u>205,015</u>
<b>Liabilities</b>		
Accounts payable	29,201	55,925
Accrued payroll & related taxes	27,458	26,110
Accrued compensated absences	21,828	21,291
Deferred Revenue	-	413,362
Net pension liability	<u>739,022</u>	<u>967,942</u>
TOTAL LIABILITIES	<u>817,509</u>	<u>1,484,630</u>
<b>Deferred Inflow of Resources</b>		
Deferred inflow related to pensions	<u>273,979</u>	<u>28,551</u>
<b>Net Position</b>		
Net investment in capital assets	3,407	5,168
Restricted for:		
Hattiesburg Alliance for Public Art	54,950	32,815
Unrestricted	<u>1,140,303</u>	<u>829,526</u>
TOTAL NET POSITION	<u>\$ 1,198,660</u>	<u>\$ 867,509</u>

*The accompanying notes are an integral part of the financial statements.*

**HATTIESBURG TOURISM COMMISSION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

<b>FUNCTION/PROGRAM EXPENSES:</b>	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Tourism Promotion		
Payroll expense	\$ 411,341	\$ 437,374
Pension expense	42,658	128,995
Advertising and promotion	538,326	229,859
Operational costs	128,463	117,602
Grants and sponsorships	35,448	25,856
Purchases for resale	2,737	6,891
Depreciation and related asset charges	1,761	1,761
Events and Programs		
FAM tours	3,406	-
Art and sculpture projects	52,115	43,280
MS Miss Hospitality	83,805	61,739
Total Function/Program Expenses	1,300,060	1,053,357
 <b>PROGRAM REVENUES:</b>		
Charges for Services		
Gift shop sales	114	5,322
MS Miss Hospitality	123,477	63,203
Support services	89,512	89,069
Other income	24,779	58,817
Operating Grants and Contributions		
Mississippi Development Authority	10,000	5,000
Hattiesburg Alliance for Public Art	34,450	29,575
Total Program Revenue	282,332	250,986
<b>NET PROGRAM EXPENSE</b>	<b>(1,017,728)</b>	<b>(802,371)</b>
 <b>GENERAL REVENUES (EXPENSES):</b>		
Special sales tax	858,101	642,015
Paycheck Protection Program proceeds	76,000	76,000
Tourism Recovery Fund grant	413,362	86,494
EIDL grant	-	7,000
Interest income	1,416	9,845
Total General Revenues (Expenses)	1,348,879	821,354
<b>CHANGE IN NET POSITION</b>	<b>331,151</b>	<b>18,983</b>
 <b>NET POSITION - Beginning of Year</b>	<b>867,509</b>	<b>848,526</b>
<b>NET POSITION - End of Year</b>	<b>\$ 1,198,660</b>	<b>\$ 867,509</b>

*The accompanying notes are an integral part of the financial statements.*



**HATTIESBURG TOURISM COMMISSION**  
BALANCE SHEETS – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021 AND 2020

	General Fund	Special Revenue Funds		Total	
		MMH Pageant	HAPA	2021	2020
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 1,644,252	\$ 131,934	\$ 54,950	\$ 1,831,136	\$ 1,988,083
Due from other governments	192,225	-	-	192,225	135,095
Other receivables	41,579	-	-	41,579	36,637
Inventory	16,166	-	-	16,166	10,692
<b>Total Assets</b>	<u>\$ 1,894,222</u>	<u>\$ 131,934</u>	<u>\$ 54,950</u>	<u>\$ 2,081,106</u>	<u>\$ 2,170,507</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 29,201	\$ 20,000	\$ -	\$ 49,201.00	\$ 55,925
Deferred revenue	101,379	-	-	101,379	484,874
Accrued payroll & related taxes	27,457	-	-	27,457	26,110
Total Liabilities	<u>158,037</u>	<u>20,000</u>	<u>-</u>	<u>178,037</u>	<u>566,909</u>
Fund Balances:					
Nonspendable					
Inventory	16,166	-	-	16,166	10,692
Restricted					
Hattiesburg Alliance for Public Art	-	-	54,950	54,950	32,815
Committed:					
Operational reserve	700,000	-	-	700,000	720,000
Assigned:					
Art partnership reserve	-	-	-	-	40,000
Lightpole banner project	5,786	-	-	5,786	10,000
Civic special attraction project	200,000	-	-	200,000	200,000
Strategic planning implementation	175,000	-	-	175,000	182,143
MS Miss Hospitality	-	111,934	-	111,934	85,957
Unassigned:					
General fund	639,233	-	-	639,233	321,991
Total Fund Balance	<u>1,736,185</u>	<u>111,934</u>	<u>54,950</u>	<u>1,903,069</u>	<u>1,603,598</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,894,222</u>	<u>\$ 131,934</u>	<u>\$ 54,950</u>	<u>\$ 2,081,106</u>	<u>\$ 2,170,507</u>

*The accompanying notes are an integral part of the financial statements.*

**HATTIESBURG TOURISM COMMISSION**  
 RECONCILIATIONS OF THE BALANCE SHEETS - GOVERNMENTAL FUNDS  
 TO THE STATEMENTS OF NET POSITION  
 SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Total Fund Balance-Governmental Funds (Exhibit C)</b>	\$ 1,903,069	\$ 1,603,598
 Amounts reported for net position in the statement of net position are different because:		
 Capital Assets used in governmental activities are not financial resources and are not reported as assets in governmental funds		
Capital assets	83,244	83,244
Less accumulated depreciation	(79,837)	(78,076)
 Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability	(739,022)	(967,942)
 Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows of resources related to pensions	225,635	233,124
Deferred inflows of resources related to pensions	(273,979)	(56,660)
 A portion of the Commission's receivables are collected after year-end; but they are not collected soon enough to be available as financial resources for the current year. These revenues are deferred and not reported in the governmental funds.		
Special sales tax for September	101,378	71,512
 Long term liabilities, including compensated absences payable are not due and payable in the current period and are not reported as liabilities in governmental funds		
Accrued compensated absences	<u>(21,828)</u>	<u>(21,291)</u>
<b>Total Net Position-Governmental Activities (Exhibit A)</b>	<u>\$ 1,198,660</u>	<u>\$ 867,509</u>

*The accompanying notes are an integral part of the financial statements.*

**HATTIESBURG TOURISM COMMISSION**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>Special Revenue Funds</u>				
	General Fund	MMH Pageant	HAPA	<u>Total</u>	
				<u>2021</u>	<u>2020</u>
<b>REVENUES</b>					
Special sales tax	\$ 828,233	\$ -	\$ -	\$ 828,233	\$ 748,234
Support Services	89,512	-	-	89,512	89,069
Gift shop sales	114	-	-	114	5,322
Event revenue	-	123,477	-	123,477	63,203
Donations and grants	-	10,000	34,450	44,450	29,575
Other income	24,779	-	-	24,779	63,817
Interest income	729	687	-	1,416	9,845
Total Revenues	<u>943,367</u>	<u>134,164</u>	<u>34,450</u>	<u>1,111,981</u>	<u>1,009,065</u>
<b>EXPENDITURES</b>					
Tourism Promotion					
Payroll expense	457,572	-	-	457,572	495,689
Advertising and promotion	538,162	164	-	538,326	229,859
Operational costs	124,045	4,218	200	128,463	117,602
Grants and sponsorships	35,448	-	-	35,448	25,856
Purchases for resale	2,737	-	-	2,737	6,891
Events and Programs					
FAM tours	3,406	-	-	3,406	-
Art and sculpture projects	-	-	52,115	52,115	43,280
MS Miss Hospitality pageant	-	83,805	-	83,805	61,739
Total Expenditures	<u>1,161,370</u>	<u>88,187</u>	<u>52,315</u>	<u>1,301,872</u>	<u>980,916</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	20,000	-	40,000	60,000	50,000
Operating transfers out	(40,000)	(20,000)	-	(60,000)	(50,000)
Paycheck protection program proceeds	76,000	-	-	76,000	76,000
Tourism Recovery Fund grant	413,362	-	-	413,362	86,494
EIDL grant	-	-	-	-	7,000
Total Other Financing Sources	<u>469,362</u>	<u>(20,000)</u>	<u>40,000</u>	<u>489,362</u>	<u>169,494</u>
<b>Net Change in Fund Balance</b>	<b>251,359</b>	<b>25,977</b>	<b>22,135</b>	<b>299,471</b>	<b>197,643</b>
<b>FUND BALANCE, Beginning</b>	<u>1,484,826</u>	<u>85,957</u>	<u>32,815</u>	<u>1,603,598</u>	<u>1,405,956</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 1,736,185</u>	<u>\$ 111,934</u>	<u>\$ 54,950</u>	<u>\$ 1,903,069</u>	<u>\$ 1,603,598</u>

*The accompanying notes are an integral part of the financial statements.*

**HATTIESBURG TOURISM COMMISSION**  
 RECONCILIATIONS OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Net Change in fund balances-governmental funds (Exhibit D)</b>	\$ 299,471	\$ 197,642
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlay	-	-
Depreciation expense	(1,761)	(1,761)
<p>Some items reported in the statement of activities relating to the implementation of GASB 68 are not reported in the governmental funds.</p>		
Net change in pension expense	4,112	(77,014)
<p>Some items reported in the Statement of Activities do not provide or require the use of current financial resources and are not reported as revenue/expenditures in governmental funds.</p>		
Changes in compensated absences	(538)	6,336
Changes in deferred revenue	<u>29,867</u>	<u>(106,220)</u>
<b>Change in net position of governmental activities (Exhibit B)</b>	<u>\$ 331,151</u>	<u>\$ 18,983</u>

*The accompanying notes are an integral part of the financial statements.*

**HATTIESBURG TOURISM COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

**HATTIESBURG TOURISM COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Hattiesburg Tourism Commission was established under the provision of House Bill 1717 adopted by the Mississippi Legislature in the 1990 regular session. House Bill 1717 authorizes the mayor and city council of Hattiesburg, Mississippi, to create and establish the Hattiesburg Tourism Commission. The City of Hattiesburg considers the Commission a related organization. The Commission began operations November 1, 1990. House Bill No. 1764 which amended Chapter 878, local and private laws of 1990 and subsequent amendments is currently in effect until July 1, 2022 at which time it is repealed.

The Hattiesburg Tourism Commission has been granted tax-exempt status under Internal Revenue Code Section 501 (c) (3). The Commission is currently operating as Visit Hattiesburg.

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the Commission's governing board. As defined by generally accepted accounting principles, the Commission is considered an "other standalone government." The Commission is a related organization of, but not a component unit of, the City of Hattiesburg since the governing authorities of the municipality select the Commission's board but do not have financial accountability for the Commission.

Under the provisions of House Bill No. 1764, the Hattiesburg Tourism Commission shall consist of seven members appointed by the mayor and ratified by the city council. A special 2% sales tax is authorized to be levied upon the gross proceeds from hotel and motel overnight room rental, exclusive of charges for food, telephone, laundry, beverages and similar charges; and provide that such tax be paid to the state tax commission.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Government-wide Financial Statements - The Statement of Net Position and Statement of Activities report information on all of the non-fiduciary activities of the Commission.

The Statement of Net Position presents the Commission's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

1. Net investment in capital assets, net of accumulated depreciation, and reduced by outstanding balances of bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

**HATTIESBURG TOURISM COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

*NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Special sales taxes and other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements. Any remaining governmental funds would be aggregated and reported as other governmental funds.

The Commission reports the following major governmental funds:

The General Fund is the primary operating fund of the Commission. It is used to account for all financial resources, except those accounted for in another fund.

The MMH Pageant, a special revenue fund, accounts for the operation and promotion of the annual Mississippi Miss Hospitality Pageant.

The HAPA, a special revenue fund, accounts for the activities of the Hattiesburg Alliance for Public Arts.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the commission:

*Nonspendable fund balance* includes items that cannot be spent. This includes activity that is not in a spendable form (a) inventories or prepaids; or (b) legally required to be maintained intact.

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through constitution provision or enabling legislation.

*Committed fund balance* includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

*Assigned fund balance* includes amounts intended to be used by the Commission for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

*Unassigned fund balance* is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**HATTIESBURG TOURISM COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

*NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers all revenues reported in governmental funds to be available if the revenues are collected within thirty (30) days of the end of the fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments which are recognized as expenditures when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. The special sales tax associated with the current fiscal period is considered to be susceptible to accrual. The balance collected more than 30 days after the fiscal period is deferred in the fund statements since it is not considered available for current expenditures.

**D. BUDGETS AND BUDGETARY ACCOUNTING**

Hattiesburg Tourism Commission has no legal budget requirements. The Commission provides budgetary data for management and reporting purposes using the following procedures:

1. The executive director of Hattiesburg Tourism Commission submits a proposed budget to the Board of Directors.
2. The board reviews the proposed budget, makes changes and approves.
3. Budgets for the Governmental Funds are not adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Board of Directors.
4. Budget amendments are approved by board before year end.
5. The budget appropriations lapse at the end of the fiscal year.

**E. COMPENSATED ABSENCES**

Commission employees are entitled to certain compensated absences based upon their length of employment. Vacation leave is accrued on a monthly basis. A waiting period of six months must be completed before vacation time can be used. After that, employees can request use of earned vacation time including that accrued during the waiting period. Unused vacation time can be accumulated and rolled over into the next year. Upon resignation or termination of employment, each employee shall be paid for unused vacation time that has been accrued through the last day of work up to six weeks. All unused vacation time remaining beyond six weeks will be certified to PERS. There is no limit to accumulation of sick leave days. However, unused sick leave days will not be paid to employees while they are employed or upon termination of employment. Unused sick time may be credited toward retirement service.



**HATTIESBURG TOURISM COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

*NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

F. USE OF ESTIMATES

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

G. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee's Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

H. INVENTORIES

Inventory consists of logo-related items, snacks, and gifts held for resale. The costs of governmental fund type inventories are reported under the consumption method.

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure/expense) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred outflow of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**HATTIESBURG TOURISM COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – DEPOSITS AND INVESTMENTS**

The Commission deposits excess funds in financial institutions selected in accordance with state statutes.

Cash consists of amounts on deposit with financial institutions in non-interest-bearing accounts, interest-bearing demand accounts, savings accounts and certificates of deposit with an original maturity of 90-days or less. Cash is valued at cost. The carrying amount approximates fair value because of the short maturities of these instruments.

Investments consist of certificates of deposit with an original maturity date greater than 90 days. Investments are valued at cost.

As of September 30, 2021, the carrying amount of Hattiesburg Tourism Commission's deposits with financial institutions was \$1,829,935 and the bank balance was \$1,865,992. As of September 30, 2020, the carrying amount of Hattiesburg Tourism Commission's deposits with financial institutions was \$1,987,283 and the bank balance was \$2,051,095.

The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

*Custodial Credit Risk – Deposits.* Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the Commission will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Commission does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Commission. Deposits above the FDIC coverage are collateralized by the pledging financial institution trust department or agent in the name of the Mississippi State Treasurer on behalf of the Commission.

**HATTIESBURG TOURISM COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – CAPITAL ASSETS**

Capital acquisition and construction are reflected as expenditures in the Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalized thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are reported in the government-wide statements.

Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details those thresholds.

	Capitalization Policy	Estimated Useful Life
Land	\$ -	
Buildings	50,000	40 years
Building improvements	25,000	20 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years

Capital Assets consist of the following:

	10/01/20	Additions	Disposals	09/30/21
Equipment	\$ 11,595		\$ -	\$ 11,595
Furniture	71,649	-	-	71,649
	83,244	-	-	83,244
 Accumulated Depreciation	 78,076	1,761	-	79,837
 Net Fixed Assets	 \$ 5,168			\$ 3,407

**HATTIESBURG TOURISM COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – DEFINED BENEFIT PENSION PLAN**

Plan Description

The Hattiesburg Tourism Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at [www.pers.ms.gov](http://www.pers.ms.gov).

Benefits provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the Hattiesburg Tourism Commission. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

Contributions

PERS members are required to contribute 9.00% of their annual covered salary, and the Commission is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2021 was 17.40% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The Commission's contributions to PERS for the fiscal years ending September 30, 2021, 2020, and 2019 were \$46,770, \$51,981, and \$46,682, respectively, which equaled the required contributions for each year.

**HATTIESBURG TOURISM COMMISSION**  
NOTES TO FINANCIAL STATEMENTS

*NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)*

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2021 and 2020, the Commission reported a liability of \$739,022 and \$967,942 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission’s proportion of the net pension liability was based on a projection of the Commission’s long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Commission’s proportionate share used to calculate the September 30, 2021 net pension liability was 0.004102 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.00043 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the years ended September 30, 2021 and 2020, the Commission recognized pension expense of \$42,658 and \$128,995, respectively. At September 30, 2021 the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,816	\$ -
Net difference between projected and actual earnings on pension plan investments	38,436	(273,979)
Changes of assumptions	56,401	-
Change in proportionate share	80,234	-
Contributions subsequent to the measurement date	10,639	-
	\$ 197,526	\$ (273,979)

\$10,639 is reported as deferred outflows of resources related to pensions resulting from the entity’s contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	
2022	\$ 10,121
2023	(3,039)
2024	(27,852)
2025	(66,322)
2026	-
	\$ (87,092)

**HATTIESBURG TOURISM COMMISSION**  
NOTES TO FINANCIAL STATEMENTS

*NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)*

*Actuarial assumptions.* The collective total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.00-18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments. For males 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For Females 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions are based on the experience investigation for the four-year period ending June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00%	4.90%
International Equity	22.00%	4.75%
Global	12.00%	5.00%
Debt Securities	20.00%	1.50%
Real Estate	10.00%	4.00%
Private Equity	8.00%	6.25%
Cash Equivalents	<u>1.00%</u>	0.25%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Employer contributions will be made at the current employer contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**HATTIESBURG TOURISM COMMISSION**  
NOTES TO FINANCIAL STATEMENTS

**NOTE 4 – DEFINED BENEFIT PENSION PLAN (continued)**

*Sensitivity of the Commission’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the Commission’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
Hattiesburg Tourism Commission	\$ 1,046,628	\$ 739,022	\$ 485,530

	<b>1% Decrease (6.55%)</b>	<b>Current Discount Rate (7.55%)</b>	<b>1% Increase (8.55%)</b>
System's Net Pension Liability	\$ 20,932,564,000	\$ 14,780,437,000	\$ 9,710,595,000

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

**NOTE 5 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION**

The unrestricted net position amount of \$1,140,303 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$10,639 resulting from the entity’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The \$186,887 balance of the deferred outflow of resources related to pensions will be recognized in pension expense over the next 3 years and the \$273,979 balance of the deferred inflow of resources related to pensions will be recognized in pension expense over the next 4 years.

**NOTE 6 – RELATED ENTITIES**

In efforts to not duplicate services to the Hattiesburg area, the Commission has entered into an agreement with the Hattiesburg Downtown Association. In exchange for a fee, the Hattiesburg Tourism Commission will provide the HDA marketing and admin services. The Commission will also serve as a pass through entity to provide payroll for one employee of the Hattiesburg Downtown Association. The HDA will fully reimburse the Commission for all payroll, taxes, and insurance associated with individual’s payroll.

**NOTE 7 – SUBSEQUENT EVENTS**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Position date require disclosure in the accompanying notes. Management of the Commission has evaluated the activity through October 25, 2022, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

**HATTIESBURG TOURISM COMMISSION**

**REQUIRED SUPPLEMENTARY INFORMATION**



**HATTIESBURG TOURISM COMMISSION**  
**Required Supplementary Information**

**SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Schedule 1A

**PERS**

**Last 10 Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commission's proportion of the net pension liability	0.004102%	0.004532%	0.004354%	0.003027%	0.004342%	0.003722%	0.004317%
Commission's proportionate share of the net pension liability	\$ 739,022	\$ 967,942	\$ 703,679	\$ 503,480	\$ 721,787	\$ 714,500	\$ 618,321
Commission's covered payroll	\$ 268,792	\$ 298,739	\$ 289,258	\$ 216,254	\$ 270,095	\$ 225,111	\$ 258,375
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	274.94%	324.01%	243.27%	232.82%	267.23%	317.40%	239.31%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	58.97%	61.59%	61.49%	57.47%	61.70%	67.21%

The notes to the required supplementary information are an integral part of this schedule.

\* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the Commission has only presented information for the years in which information is available.

**HATTIESBURG TOURISM COMMISSION**

**Required Supplementary Information**

**SCHEDULE OF COMMISSIONS CONTRIBUTIONS**

Schedule 1B

**PERS**

**Last 10 Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 46,770	\$ 51,981	\$ 46,682	\$ 34,060	\$ 42,540	\$ 35,455	\$ 40,694
Contributions in relation to the contractually required contribution	\$ 46,770	\$ 51,981	\$ 46,682	\$ 34,060	\$ 42,540	\$ 35,455	\$ 40,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$ 268,792	\$ 298,739	\$ 289,258	\$ 216,254	\$ 270,095	\$ 225,111	\$ 258,375
Contributions as a percentage of covered payroll	17.40%	17.40%	16.14%	15.75%	15.75%	15.75%	15.75%

The notes to the required supplementary information are an integral part of this schedule.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented in FYE 6/30/2015, and, until a full 10-year trend is compiled, the Commission has only presented information for the years in which information is available.

**HATTIESBURG TOURISM COMMISSION**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE 2A**

**HATTIESBURG TOURISM COMMISSION**  
**BUDGETARY COMPARISON**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Final Budget	Actual (non-GAAP Basis)	Variances Positive (Negative)
<b>REVENUES</b>			
2% Bed Tax	\$ 504,000	\$ 828,203	\$ 324,203
Logo Shop Sales	6,000	114	(5,886)
COVID-19 Tourism Recovery Fund	375,000	413,362	38,362
Interest	5,000	729	(4,271)
State Miss Hospitality	30,000	30,000	-
Downtown Support Services	85,749	89,512	3,763
Operational Reserves	70,000	-	(70,000)
Public Art Reserves	40,000	40,000	-
Strategic Planning Implementation Reserves	60,000	6,069	(53,931)
PPP Loan Forgiveness	-	76,000	76,000
<b>TOTAL REVENUES</b>	<b>\$ 1,175,749</b>	<b>\$ 1,483,989</b>	<b>\$ 308,240</b>
<b>EXPENDITURES</b>			
Marketing	\$ 105,000	\$ 159,124	\$ (54,124)
Gift Shop Purchases	4,000	2,737	1,263
Capital Expenditures	3,000	-	3,000
Office Operations	80,700	132,578	(51,878)
COVID-19 Tourism Recovery Fund	374,700	442,737	(68,037)
Destination Building	100,000	46,069	53,931
Compensation/Benefits	488,721	448,871	39,850
<b>TOTAL EXPENDITURES</b>	<b>1,156,121</b>	<b>1,232,116</b>	<b>(75,995)</b>
<b>NET EXCESS (DEFICIT)</b>	<b>\$ 19,628</b>	<b>\$ 251,874</b>	<b>\$ 232,245</b>

Basis of Presentation

The Budgetary Comparison Schedule above presents the final budget, the actual data on the non-GAAP basis, and the variances between the final budget and the actual data. The budget is adopted for management use only and is not legally required.

**SCHEDULE 2B**

**HATTIESBURG TOURISM COMMISSION**  
**BUDGETARY COMPARISON**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Final Budget</u>	<u>Actual (non-GAAP Basis)</u>	<u>Variances Positive (Negative)</u>
<b>REVENUES</b>			
2% Bed Tax	\$ 720,000	\$ 748,264	\$ 28,264
Interest	12,375	8,659	(3,716)
Logo Shop Sales	6,000	5,322	(678)
Misc Income	85,749	89,069	3,320
State Miss Hospitality	<u>30,000</u>	<u>20,000</u>	<u>(10,000)</u>
<b>TOTAL REVENUES</b>	<u>\$ 854,124</u>	<u>\$ 871,314</u>	<u>\$ 17,190</u>
<b>EXPENDITURES</b>			
Marketing	\$ 276,900	\$ 171,311	\$ 105,589
Capital Expenditures	3,000	-	3,000
Office Operations	83,500	103,944	(20,444)
Sales, Marketing, & Ambassador Payroll	<u>485,324</u>	<u>482,742</u>	<u>2,582</u>
<b>TOTAL EXPENDITURES</b>	<u>848,724</u>	<u>757,997</u>	<u>90,727</u>
<b>NET EXCESS (DEFICIT)</b>	<u>\$ 5,400</u>	<u>\$ 113,317</u>	<u>\$ 107,917</u>

**Basis of Presentation**

The Budgetary Comparison Schedule above presents the final budget, the actual data on the non-GAAP basis, and the variances between the final budget and the actual data. The budget is adopted for management use only and is not legally required.

**SCHEDULE 3**

**HATTIESBURG TOURISM COMMISSION**  
SCHEDULE OF DIRECTORS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Board Member</u>	<u>Representation Area</u>	<u>Bond Amount</u>	<u>Bond Expires</u>
Frank James	Hotel Industry (1)	\$ 50,000	10/26/2023
Melanie Archer	Hotel Industry (2)	50,000	10/11/2023
Anthony L. Harris	Economic Development	50,000	1/15/2023
Joe Paul	University of Southern Mississippi	50,000	5/27/2023
Bonnie Warren	At Large (1)	50,000	11/5/2022
Michael Marks	At Large (2)	50,000	8/17/2023
Shawn Lowrey	At Large (3)	50,000	8/19/2023

The enabling legislation requires a seven member board be appointed by the Mayor of the City of Hattiesburg and ratified by the City Council. The legislation also requires the members to represent specified areas of the community and to give bond in the amount of \$50,000.

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## **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  
Hattiesburg Tourism Commission

We have audited, 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, the financial statements of the governmental activities and each major fund of the Hattiesburg Tourism Commission, as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated October 25, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting to determine our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "King CPA, PLLC". The signature is written in a cursive, slightly slanted style.

KING CPA, PLLC  
Petal, Mississippi  
October 25, 2022