

# VISITHATTIESBURG

10.1.2019 - 9.30.2020

**FY20 ANNUAL REPORT**



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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

## VISITHATTIESBURG STAFF

- Marlo Dorsey, **Executive Director**
- Kristen Brock, Director of Programs and Promotions
- Paige Robertson, Director of Communications and Digital Strategies
- Paige Hunt, Director of Sales & Visitor Services
- 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 23 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.



## OUR MISSION

To actively position Hattiesburg as a year-round premier leisure and business destination in the Gulf South.

## OUR VISION

To ignite tourism economic growth in Hattiesburg through strategic vision and collaborative leadership while enhancing local quality of life.

## OUR VALUES

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



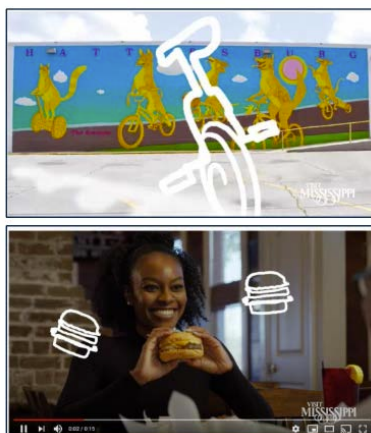
# DESTINATION MARKETING: HATTIESBURG

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



## STOP THE SPREAD OF GERMS

SAFETY SIGNAGE PROVIDED TO ALL MEETING VENUES

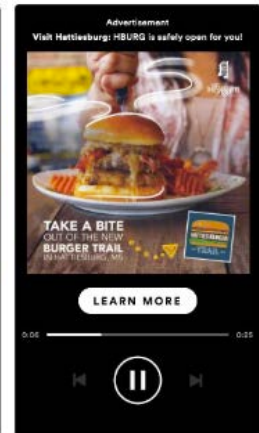
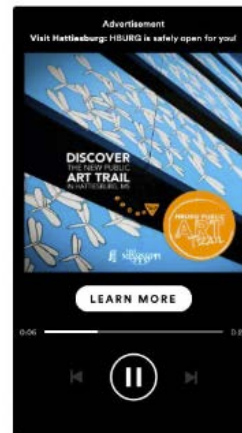


In 2019, VisitHATTIESBURG started a long-range strategic plan process, which upon completion would **provide a road map to tourism development for Hattiesburg for the next five years**

**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.

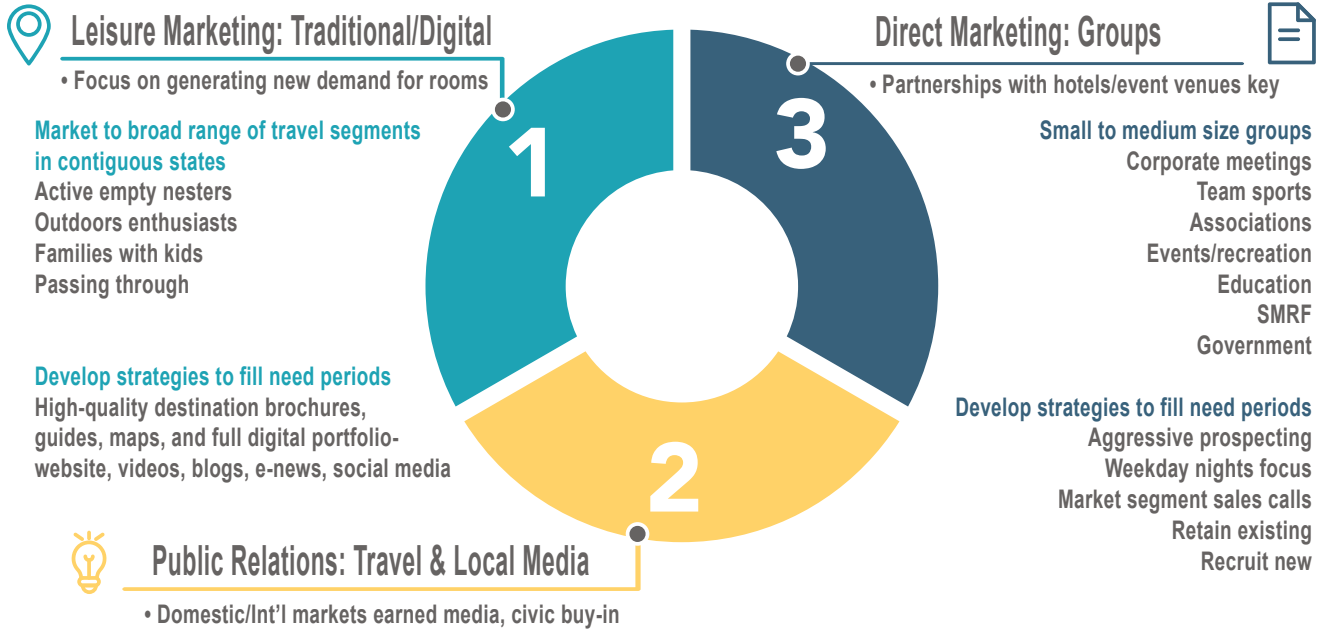
Through the strategic plan process, VisitHBURG **discovered top visitor destinations within the city**, including The Lucky Rabbit, the Hattiesburg Zoo, Turtle Creek Mall, The University of Southern Mississippi, and Forrest General Hospital, **as well as who visits HBURG and what they want to do when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

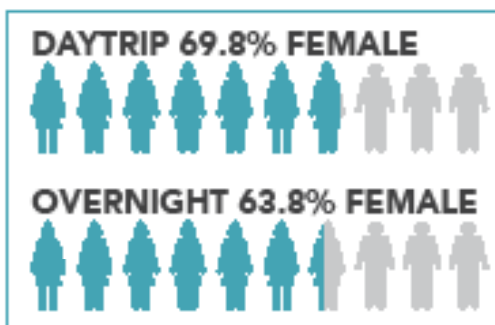


# HATTIESBURG VISITOR PROFILE

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

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

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

**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



## Hattiesburg Tourism Strong: The Spirit of Travel

Springtime typically marks the beginning of peak travel season in Hattiesburg and continues throughout the summer months, but this season has thrown us all a colossal curveball like we've never seen before. **The COVID-19 pandemic has created a multitude of hardships for people and places everywhere. Most significant is the public health crisis we all find ourselves in, which has also brought our once thriving economy to its knees.**

Yes, the health and safety of our residents and visitors remains our top priority, and we honor all of the healthcare heroes who are on the front lines fighting the good fight to combat this invisible enemy. At the same time, the month of May is when the U.S. Travel Industry officially celebrates the significant economic and positive impact of its restaurants, hotels, and tourism attractions, as well as the millions of professionals who

serve in the travel and tourism industry's workforce. It's called National Travel and Tourism Week.

The theme of 2020's tourism celebration is *Spirit of Travel*, which **shares a compelling story of resilience and hope while facing extraordinary challenges as an industry.** In the face of adversity, we still have much to celebrate. We still pride ourselves in being exceptional stewards of goodwill, kind words, and quality service to our guests. We still stand together while we are apart. We still stand strong and united, knowing travel will resume again.

We acknowledge the impressive economic strides once achieved as an industry. **In 2019, visitors yielded \$1.1 trillion in direct spending at the national level, \$6.7 billion in Mississippi, and more than \$300 million in Greater Hattiesburg. At the local level, Hattiesburg employed approximately 4,600 people in the tourism industry in 2019,** many of whom are now unemployed.

As an industry, our combined efforts extend far beyond just filling hotel rooms, restaurants, and attractions in town. The local tourism industry helps Hattiesburg compete for the nation's visibility, attention, and respect; it competes for tourists, consumers, and available talent and workforce to support our numerous economic development sectors. **Tourism provides millions in dollars in visitor revenue and private sector capital investments to our hometown.**

That's why there has never been a more important time to support local and preserve the *Spirit of Travel* in Hattiesburg. At VisitHattiesburg, we **embrace our role of strengthening the community's economic position and vitality seriously.** We work tirelessly along with our community leaders from the public and private sectors to promote Hattiesburg as an attractive destination while creating a dynamic place to live, work, and play. We celebrate the creative economy that lends to the diversity and beauty of our destination.

During these unprecedented times, we've **doubled down on our efforts to do our part** to help recover the local economy by staying aware of the public health and economic effects of this global pandemic and what it means for Hattiesburg. **We've listened to our tourism partners, shared best practices from our public health offices, and communicated facts to our stakeholders and community.**

We will continue to protect and celebrate the *Spirit of Travel* in Hattiesburg. Our community is filled with tremendously talented people in our creative economy. We will work alongside our hotel friends, our restaurant friends, our small business friends, our art community friends, and our public leaders (who are also our friends.) We will be innovative. We will adapt our business models as our market recovers. Most importantly, we will press on. Together. Better days are ahead of us, and **tourism will be a vital part of healing Hattiesburg's economy while also breathing fresh, clean air back into its optimism too.**

People will travel again, and **we look forward to warmly and safely welcoming them back.** The Spirit of Travel cannot be broken.

#HattiesburgStrong #TheHattiesburgWay #TourismStrong  
#VisitHBURG #VistMS #NTTW20 #SpirtofTravel

## TOURISM SERVICE:

MISSISSIPPI TOURISM ASSOCIATION,  
PRESIDENT - ELECT

MISSISSIPPI DESTINATION MARKETING  
ASSOCIATION, FOUNDING MEMBER

VISITMISSISSIPPI DEDICATED FUNDING  
ADVISORY BOARD

MISSISSIPPI MAIN STREET,  
STATE BOARD MEMBER

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

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

DOWNTOWN HATTIESBURG ASSOCIATION

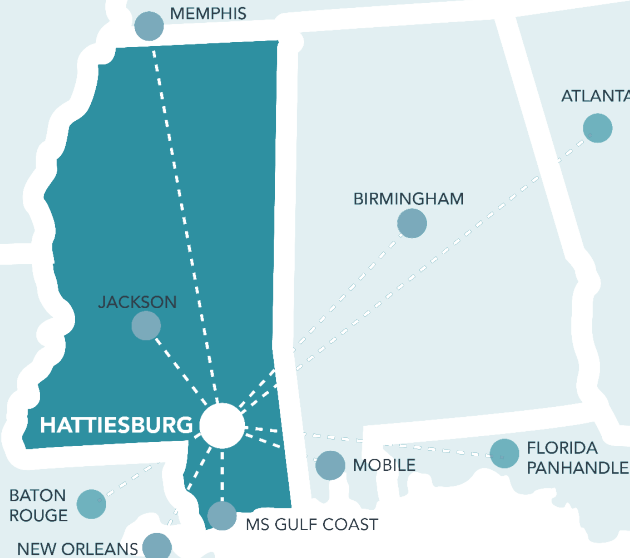
HATTIESBURG CONCERT ASSOCIATION

# TOURISM MATTERS IN HATTIESBURG

## TOP HBURG MARKETS

GROWTH YEAR OVER YEAR  
FY2019 VS FY2020

1. ATLANTA METRO: 2,235.48%
2. JACKSON: 25.41%
3. NEW ORLEANS: -51.62%
4. DALLAS: 21.64%
5. MEMPHIS: 3.90%
6. BIRMINGHAM: 26.5%
7. FLORIDA PANHANDLE: 265%
8. BATON ROUGE: 77.35%
9. MOBILE: 110.04%
10. MS GULF COAST: 4.39%



**62,741 WEBSITE USERS**  
OCT. 2019 - FEB. 2020

# VISITHBURG.ORG WEBSITE DEMOGRAPHICS

USERS

**62,741**



NEW USERS

**61,525**



SESSIONS

**99,733**



# OF SESSIONS / USER

**1.59**



PAGEVIEWS

**251,483**



PAGES / SESSION

**2.52**



AVG. SESSION DURATION

**00:02:18**

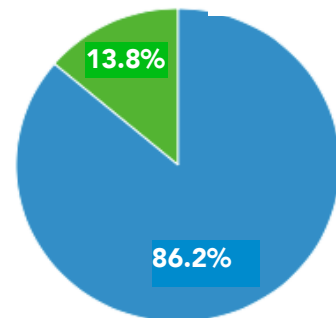


BOUNCE RATE

**68.04%**

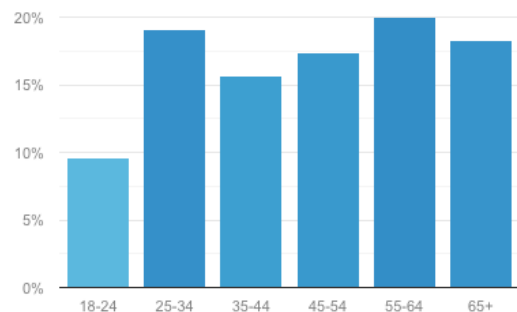


NEW VISITOR (blue square) RETURNING VISITOR (green square)



Age

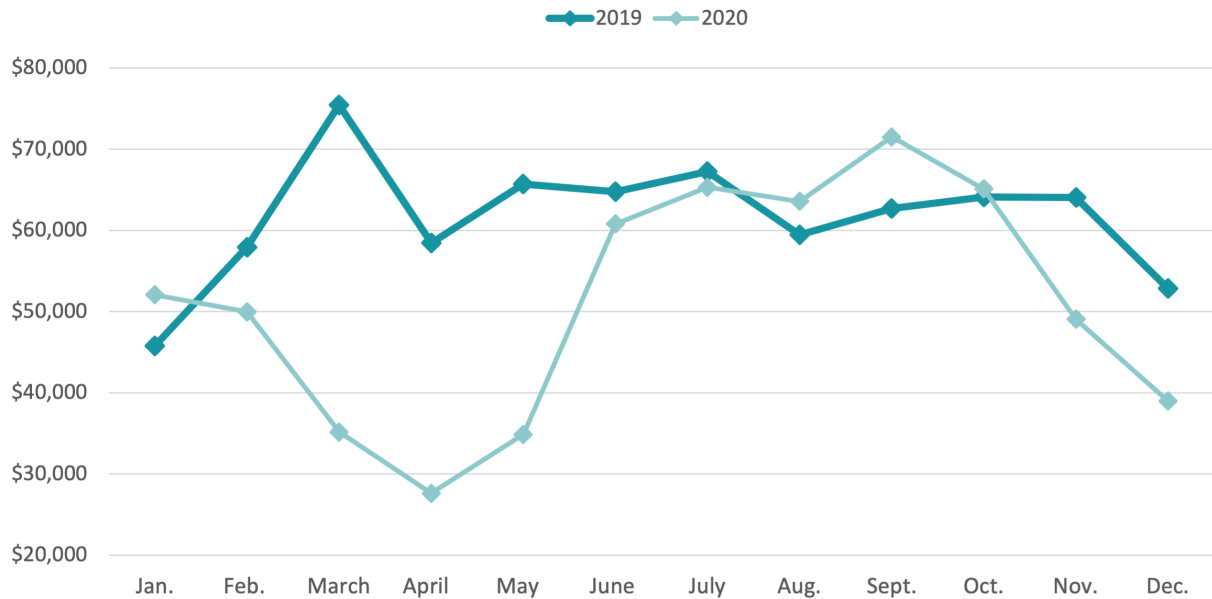
29.33% of total users





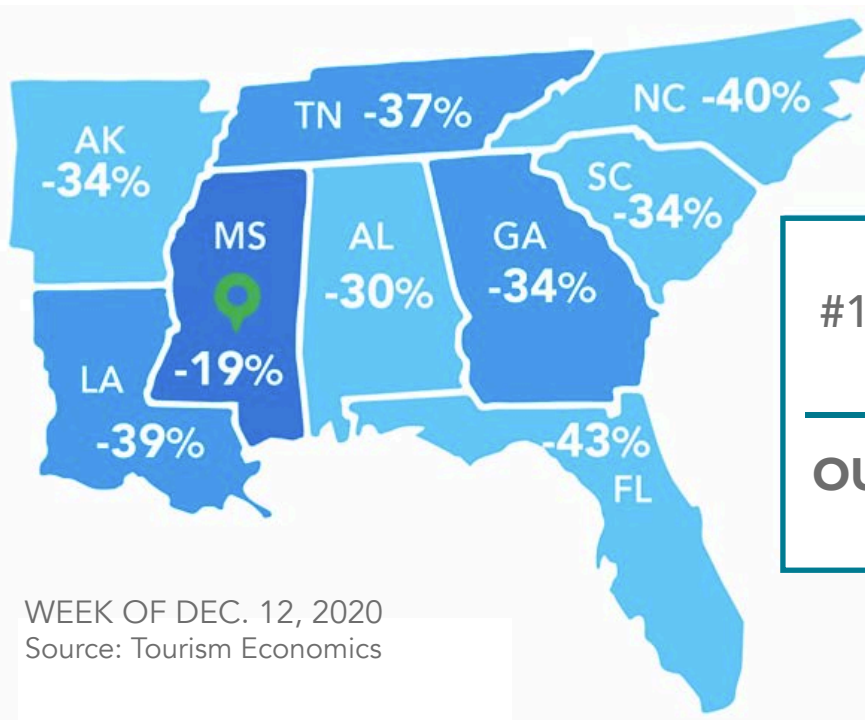
# HBURG HOTEL REPORTING

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



## U.S. TRAVEL ASSOCIATION

## YEAR-OVER-YEAR % CHANGE IN WEEKLY TRAVEL SPENDING



**MISSISSIPPI**  
#1 Travel Spending Market in U.S.

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**OUTPERFORMING SOUTHEAST**

WEEK OF DEC. 12, 2020  
Source: Tourism Economics

# HBURG MEETINGS & CONVENTIONS

## RED CARPET SERVICES:

The complimentary Red Carpet Services provided by our friendly Tourism Ambassadors at VisitHATTIESBURG help maximize the success of meetings, conventions and reunions that meet requirements, including the usage of a minimum of 20 hotel rooms in Hattiesburg.



## GROUPS SERVED IN FY2020:

Lions Club 3D-S Mid-Winter Conference  
Mississippi Conference for Addiction Professionals  
Mississippi Association for Marriage and Family Therapy · Gray TV Multi-Media Training Leadership Mississippi · Small Farmers Conference  
PREPS/MPAE Joint Conference · MMEA-ACDA State Conference · R3SM · Marine Corps League State Convention · Mississippi Professional Educators · Jaycees MS Mid-year Convention  
Mississippi Golf Association · Downtown Hattiesburg Association

## WELCOME BAGS SUPPLIED:

Approx.

# 3,000

## PEOPLE SERVED:

Approx.

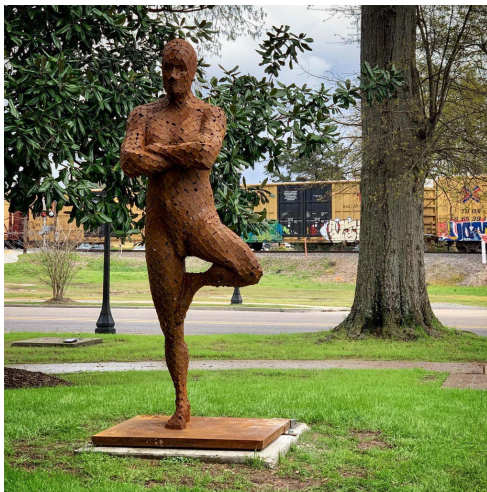
# 7,000





# HATTIESBURG ALLIANCE FOR PUBLIC ART

In 2019, the Hattiesburg Alliance for Public Art (HAPA), a program of VisitHATTIESBURG, unveiled **five new sculptures and one new mural** in Downtown Hattiesburg. Some of these are now permanent fixtures in HBURG's growing art scene, while others were temporary pieces that enhanced the beauty of their surroundings while here.



Pictured L to R:  
*We're All in This Together*, Kelsey Wishik (mural);  
*Cumulon*, Phil Proctor;  
*Wild Boar*, Joe Barrington;  
*Aloft*, Jacob Burmood;  
*Positive Capability*, Jason Kimes;  
*Water Drop*, Hanna Jubran





# 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.

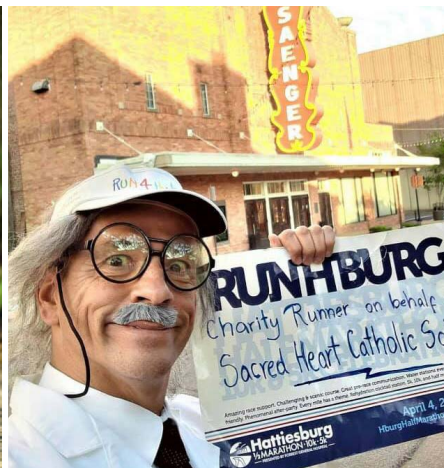
## QUALIFYING PROGRAMS AND EVENTS

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 or associations with a primary objective of promoting tourism in Hattiesburg

*\*Some FY20 projects were eligible to roll funding forward to FY21 due to the 2020 COVID-19 pandemic.*



## FY20 TGP RECIPIENTS

HATTIESBURG HALF MARATHON

MIDNIGHT ON FRONT ST.

FESTIVALSOUTH\*

LIVE @ 5 CONCERT SERIES

HATTIESBURG DIXIE YOUTH BASEBALL

HYSA STATE SOCCER

MOBILE STREET RENAISSANCE FESTIVAL

HUB CITY NYE CELEBRATION BALL

31ST HUB CITY CLASSIC SPEECH & DEBATE

DOWNTOWN CRAWFISH JAM\*

DOG DAYS 5K\*

EAGLEPALOOZA

HOLIDAY EXPO

WOMEN’S EXPO

MS GRAVEL CUP BIKE RACE

CONNECT & EMERGE CONFERENCE

HATTIESBURG PUBLIC SCHOOL DISTRICT HALL OF FAME GALA

JUBILEE DEO MEISTERSINGERS



# MISSISSIPPI MISS HOSPITALITY

## HATTIESBURG HAS SERVED AS HOME TO THIS STATE COMPETITION FOR 23 YEARS.

Mississippi Miss Hospitality program looked a little different during the July 2020 competition at the Historic Saenger Theater. Due to the COVID-19 pandemic, the competition had to pivot, completing preliminary competitions virtually in June. From preliminary competition, the Top 10 was announced and then welcomed to Hattiesburg in July for on-stage competition. The winner of the competition serves as the **state's goodwill ambassador for tourism and economic development** during the next year.



**McKay Lee Bray** was crowned the **71st Mississippi Miss Hospitality** in July 2020 in Hattiesburg. A Greene County native, Bray will spend the year promoting Mississippi's tourism and economic development industries across the state and country. Bray currently attends Jones College with plans to obtain a degree in Biological Sciences. She is an officer in the Jones College Phi Theta Kappa Honors Program, a member of the Charles Pickering Honors Institute, and is a part of Jones on Stage and JC Choir. She plans to attend the University of Mississippi to pursue a career in Internal Medicine and has future plans to practice in a rural area in Mississippi.



## MISSISSIPPI MISS HOSPITALITY 2020 WINNERS

### TOP FIVE CONTESTANTS:

- McKay Lee Bray, Greene County
- Caitlin Sims, Jackson County (first alternate)
- Andrea Berryhill, Panola County (second alternate)
- Ramsey Sanders, Pike County (third alternate)
- Aly Floyd, Lincoln County (fourth alternate)

### MISSISSIPPI SPEECH:

- Jennifer Gray, Jackson
- Caitlin Sims, Jackson County
- Gabrielle Taylor, Leakesville

### PRELIMINARY COMPETITION:

- Jennifer Gray, Jackson (Lake Little Spirit of Hospitality)
- Cassidy Young, Pontotoc County (Social Media)
- McKay Lee Bray, Greene County (Most Photogenic)
- Karlie Jordan, Lawrence County (Top Ad Sales)

## 2019 MISSISSIPPI MISS HOSPITALITY KASEY PEARSON

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



# HBURG RESTAURANT WEEK

VisitHATTIESBURG hosted the city's second annual Restaurant Week Oct. 6 – 13, 2019. Last year's inaugural event **attracted foodies from throughout the region**, and this year's event grew even more with the addition of new partners and offerings.

Visitors and locals enjoyed the week's theme, OctoberFEAST, which featured specialty hamburgers as a nod to "Hattiesburgers." **Participating restaurants embraced the theme by creating new menu items and specials for the week.**

VisitHBURG also expanded 2018's successful #CulinaryCrawl event by **adding three additional progressive dinners throughout the week** to highlight various districts in Hattiesburg. These ticketed events featured stops at locally-owned restaurants and hotels.

VisitHATTIESBURG promoted OctoberFEAST in several out-of-state markets to attract foodies to Hattiesburg through both digital and traditional advertising.

## #CULINARYCRAWL — RESTAURANT WEEK 2019



**4 CRAWL STOPS**  
SIGNATURE DISHES  
COCKTAILS  
PLUS TRANSPORTATION  
& ENTERTAINMENT



**Tickets \$40**    
PER PERSON, PER EVENT

SPONSORED BY:  
**SIGNATURE**

*Midtown* **HBURG**  
MONDAY, OCT. 7  
5 - 9PM



**NEW SOUTH RESTAURANT GROUP**  
WEDNESDAY, OCT. 9  
5 - 9PM



*Downtown* **HBURG**  
THURSDAY, OCT. 10  
5 - 9PM



*HBURG Hotels*  
SUNDAY, OCT. 13  
5 - 9PM



PURCHASE TICKETS ON EVENTBRITE OR FACEBOOK EVENT



# RESTAURANT WEEK 2019

FEATURING SPECIALTY  
**HAMBURGERS**  
AT PARTICIPATING EATERIES

**OCTOBER 6 - 13**

FOODIE GUIDE AT VISITHBURG.ORG





# HBURG'S NATIONAL TRAVEL & TOURISM WEEK

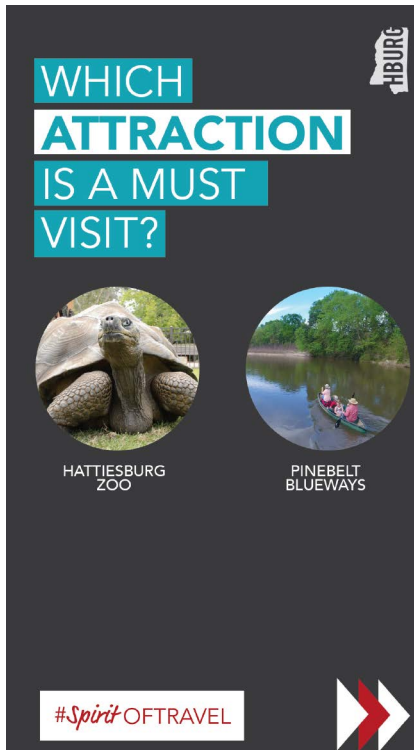
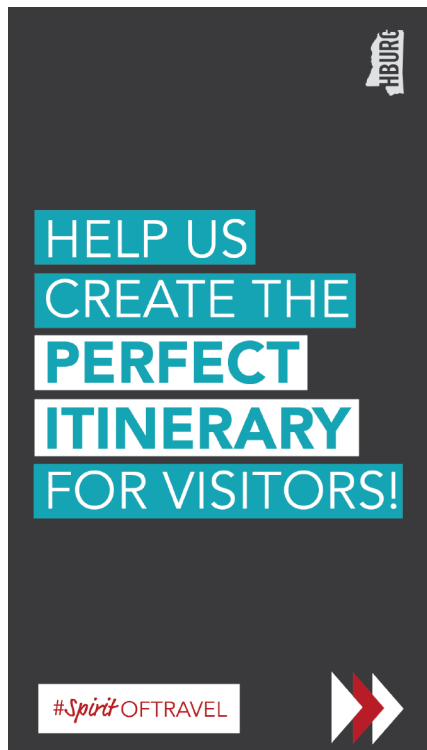
National Travel & Tourism Week (NTTW), an annual recognition of the contributions and accomplishments of the U.S. travel industry, spotlighted resilience and hope in the face of the coronavirus pandemic with this year's theme: the *Spirit of Travel*.

The COVID-19 pandemic created a multitude of hardships for people and places everywhere. Most significant is the public health crisis, which brought the once thriving tourism economy to its knees.

This year, VisitHATTIESBURG engaged virtually to highlight the spirit of Hattiesburg's tourism industry with interactive posts on its social media channels. Followers helped create the perfect Hattiesburg itinerary and played virtual trivia to see who knew Hattiesburg best.

**#SpiritOFTRAVEL**

**TOTAL REACH: 32,329**  
**TOTAL IMPRESSIONS: 45,325**



# HBURG GROWTH – 10 YEAR REVIEW

- 2009**
- VisitHBURG hosted Governor’s Conference on Tourism
  - City of Hattiesburg celebrated 125th anniversary
  - Visitors Center celebrated 5th year
  - African-American Military History Museum opened
  - Saenger Theater celebrated 80 years
  - Hattiesburg visitors spent \$234 million

- 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
  - Partnered with Longleaf Trace 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

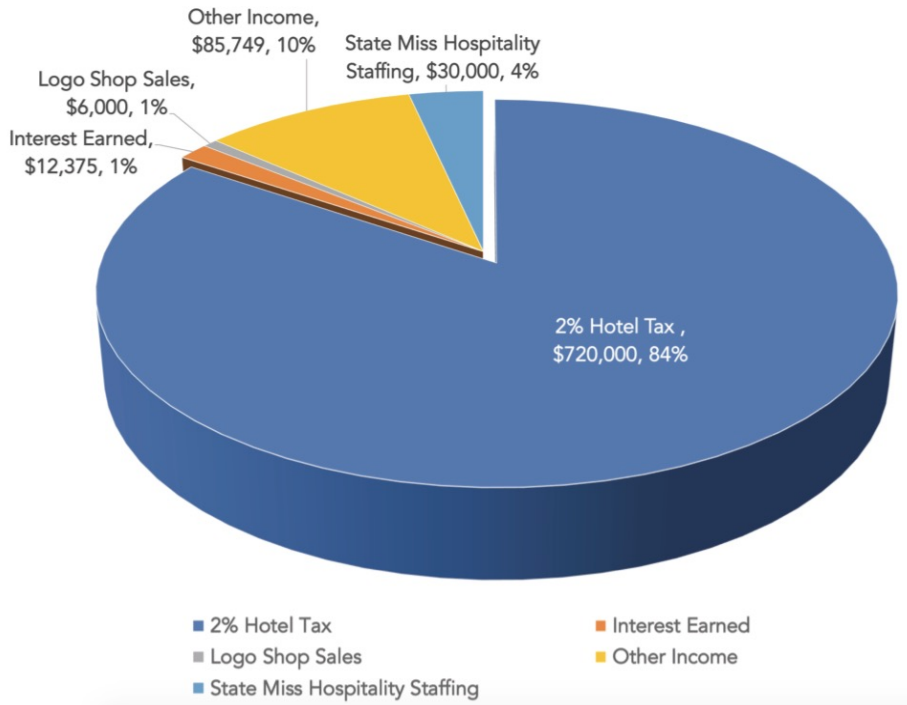


**NEW NORMAL, ANDREA KOSTYAL, 2020**



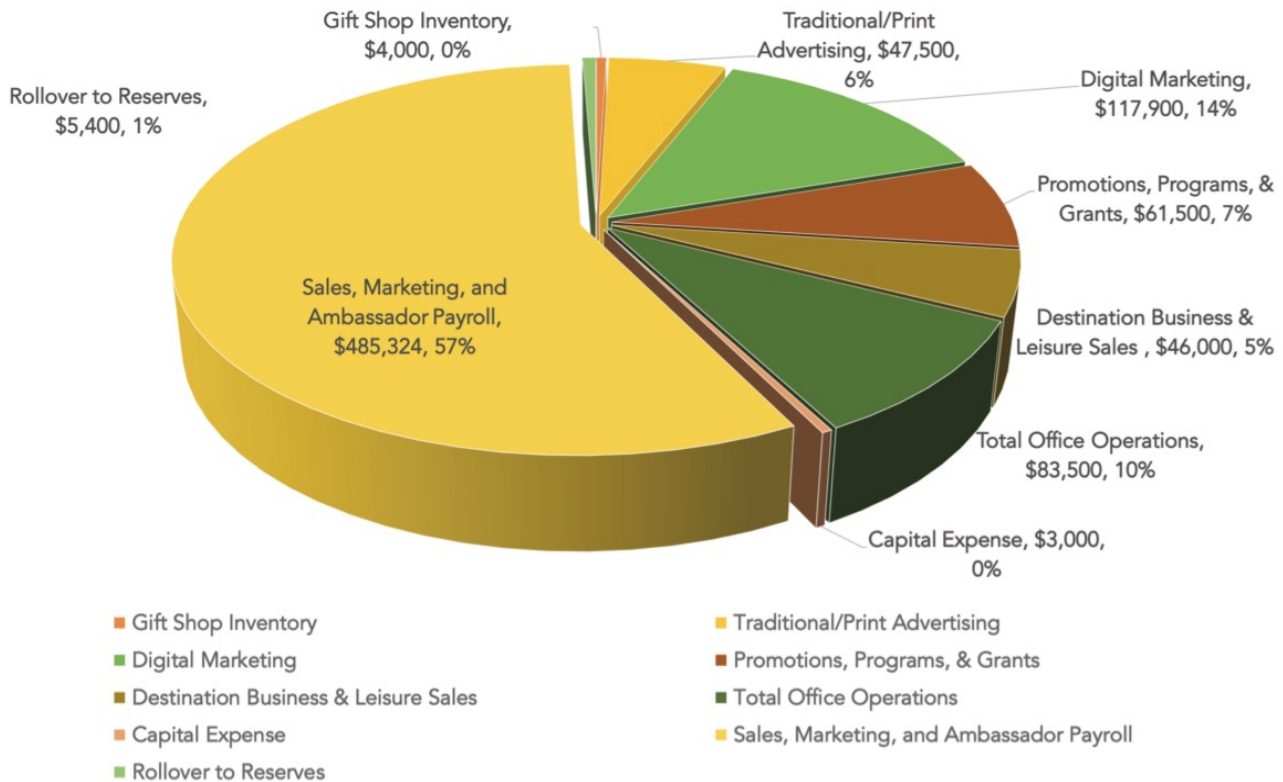
# FY2020 BUDGET

## FY2020 PROJECTED INCOME



In August 2020, VisitHATTIESBURG received, \$499,856 from the CARES Act Tourism Recovery Fund. The FY21 annual report provides a complete audited breakdown of these investments and expenditures.

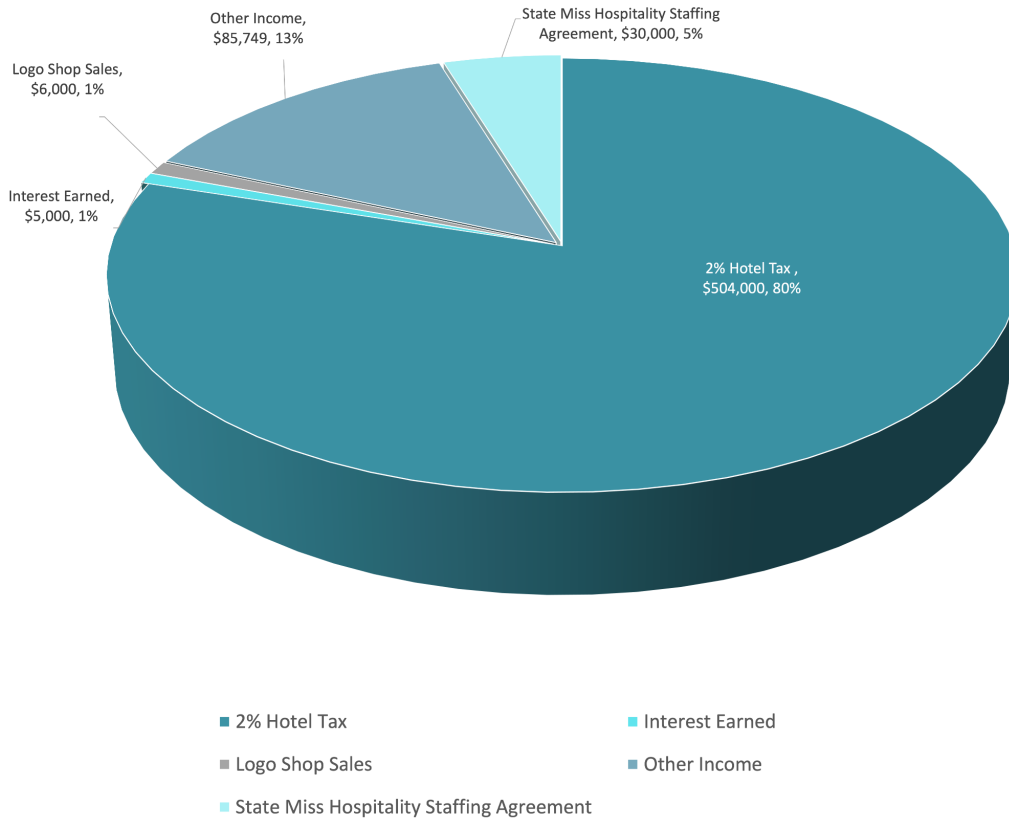
## FY2020 EXPENSES



# FY2021 BUDGET

## FY2021 PROJECTED INCOME

Forecast at 30% reduction due to the business disruptions of COVID-19.



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

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2020 and 2019**

**HATTIESBURG TOURISM COMMISSION**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2020 and 2019**

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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, 2020 and 2019, 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, 2020 and 2019, 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 August 19, 2021, 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  
Petal, Mississippi  
August 19, 2021

**HATTIESBURG TOURISM COMMISSION**

**FINANCIAL STATEMENTS**

**HATTIESBURG TOURISM COMMISSION**  
 STATEMENTS OF NET POSITION  
 SEPTEMBER 30, 2020 AND 2019

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,988,083	\$ 619,116
Investments	-	755,879
Due from other governments	135,095	237,204
Other receivables	36,637	6,995
Inventory	10,692	10,246
Fixed assets, net	5,168	6,928
TOTAL ASSETS	2,175,675	1,636,368
<b>Deferred Outflow of Resources</b>		
Deferred outflow related to pensions	205,015	124,488
<b>Liabilities</b>		
Accounts payable	55,925	23,760
Accrued payroll & related taxes	26,110	21,992
Accrued compensated absences	21,291	27,627
Deferred Revenue	413,362	-
Net pension liability	967,942	703,679
TOTAL LIABILITIES	1,484,630	777,058
<b>Deferred Inflow of Resources</b>		
Deferred inflow related to pensions	28,551	135,273
<b>Net Position</b>		
Net investment in capital assets	5,168	6,928
Restricted for:		
Hattiesburg Alliance for Public Art	32,815	16,520
Unrestricted	829,526	825,078
TOTAL NET POSITION	\$ 867,509	\$ 848,526

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



**HATTIESBURG TOURISM COMMISSION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

<b>FUNCTION/PROGRAM EXPENSES:</b>	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Tourism Promotion		
Payroll expense	\$ 437,374	\$ 440,507
Pension expense	128,995	39,260
Advertising and promotion	229,859	235,441
Operational costs	117,602	189,206
Grants and sponsorships	25,856	30,860
Purchases for resale	6,891	22,406
Depreciation and related asset charges	1,761	1,916
Events and Programs		
FAM tours	-	4,598
Art and sculpture projects	43,280	34,573
MS Miss Hospitality	61,739	99,963
Total Function/Program Expenses	1,053,357	1,098,730
 <b>PROGRAM REVENUES:</b>		
Charges for Services		
Gift shop sales	5,322	10,551
MS Miss Hospitality	63,203	133,847
Support services	89,069	85,569
Other income	58,817	6,745
Operating Grants and Contributions		
Mississippi Development Authority	5,000	5,000
Hattiesburg Alliance for Public Art	29,575	24,716
Total Program Revenue	250,986	266,428
<b>NET PROGRAM EXPENSE</b>	<b>(802,371)</b>	<b>(832,302)</b>
 <b>GENERAL REVENUES (EXPENSES):</b>		
Special sales tax	642,015	841,362
Paycheck Protection Program proceeds	76,000	-
Tourism Recovery Fund grant	86,494	-
EIDL grant	7,000	-
Compensation recovery claim	-	303,500
Insurance proceeds	-	44,579
Interest income	9,845	4,941
Total General Revenues (Expenses)	821,354	1,194,382
<b>CHANGE IN NET POSITION</b>	<b>18,983</b>	<b>362,080</b>
 <b>NET POSITION - Beginning of Year</b>	<b>848,526</b>	<b>486,446</b>
<b>NET POSITION - End of Year</b>	<b>\$ 867,509</b>	<b>\$ 848,526</b>

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

**HATTIESBURG TOURISM COMMISSION**  
BALANCE SHEETS – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020 AND 2019

	General Fund	Special Revenue Funds		Total	
		MMH Pageant	HAPA	2020	2019
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 1,869,311	\$ 85,957	\$ 32,815	\$ 1,988,083	\$ 619,116
Investments	-	-	-	-	755,879
Due from other governments	135,095	-	-	135,095	237,204
Other receivables	36,637	-	-	36,637	6,995
Inventory	10,692	-	-	10,692	10,246
<b>Total Assets</b>	<u>\$ 2,051,735</u>	<u>\$ 85,957</u>	<u>\$ 32,815</u>	<u>\$ 2,170,507</u>	<u>\$ 1,629,440</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 55,925	\$ -	\$ -	55,925	\$ 23,760
Deferred revenue	484,874	-	-	484,874	177,732
Accrued payroll & related taxes	26,110	-	-	26,110	21,992
Total Liabilities	<u>566,909</u>	<u>-</u>	<u>-</u>	<u>566,909</u>	<u>223,484</u>
Fund Balances:					
Nonspendable					
Inventory	10,692	-	-	10,692	-
Restricted					
Hattiesburg Alliance for Public Art	-	-	32,815	32,815	16,520
Committed:					
Operational reserve	720,000	-	-	720,000	720,000
Assigned:					
Art partnership reserve	40,000	-	-	40,000	40,000
Lightpole banner project	10,000	-	-	10,000	10,000
Civic special attraction project	200,000	-	-	200,000	200,000
Strategic planning and implementation	182,143	-	-	182,143	182,143
MS Miss Hospitality	-	85,957	-	85,957	98,308
Unassigned:					
General fund	321,991	-	-	321,991	138,985
Total Fund Balance	<u>1,484,826</u>	<u>85,957</u>	<u>32,815</u>	<u>1,603,598</u>	<u>1,405,956</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 2,051,735</u>	<u>\$ 85,957</u>	<u>\$ 32,815</u>	<u>\$ 2,170,507</u>	<u>\$ 1,629,440</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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Total Fund Balance-Governmental Funds (Exhibit C)</b>	\$ 1,603,598	\$ 1,405,956
 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	(78,076)	(76,315)
 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	(967,942)	(703,679)
 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	233,124	134,169
Deferred inflows of resources related to pensions	(56,660)	(144,954)
 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	71,512	177,732
 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>(21,291)</u>	<u>(27,627)</u>
<b>Total Net Position-Governmental Activities (Exhibit A)</b>	<u>\$ 867,509</u>	<u>\$ 848,526</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, 2020 AND 2019**

	<u>Special Revenue Funds</u>				
	General	MMH	HAPA	Total	
	<u>Fund</u>	<u>Pageant</u>		<u>2020</u>	<u>2019</u>
<b>REVENUES</b>					
Special sales tax	\$ 748,234	\$ -	\$ -	\$ 748,234	\$ 726,632
Support Services	89,069	-	-	89,069	85,569
Gift shop sales	5,322	-	-	5,322	10,551
Event revenue	-	63,203	-	63,203	133,847
Donations	-	-	29,575	29,575	24,725
Other income	58,817	5,000	-	63,817	11,736
Interest income	8,659	1,186	-	9,845	4,941
Total Revenues	<u>910,101</u>	<u>69,389</u>	<u>29,575</u>	<u>1,009,065</u>	<u>998,000</u>
<b>EXPENDITURES</b>					
Tourism Promotion					
Payroll expense	495,689	-	-	495,689	468,273
Advertising and promotion	229,859	-	-	229,859	235,444
Operational costs	117,602	-	-	117,602	188,995
Grants and sponsorships	25,856	-	-	25,856	30,860
Purchases for resale	6,891	-	-	6,891	22,406
Events and Programs					
FAM tours	-	-	-	-	4,598
Art and sculpture projects	-	-	43,280	43,280	34,573
MS Miss Hospitality	-	61,739	-	61,739	99,963
Total Expenditures	<u>875,897</u>	<u>61,739</u>	<u>43,280</u>	<u>980,917</u>	<u>1,085,112</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	20,000	-	30,000	50,000	40,000
Operating transfers out	(30,000)	(20,000)	-	(50,000)	(40,000)
Paycheck protection program proceeds	76,000	-	-	76,000	-
Tourism Recovery Fund grant	86,494	-	-	86,494	-
EIDL grant	7,000	-	-	7,000	-
Compensation recovery claim	-	-	-	-	303,500
Insurance proceeds	-	-	-	-	44,579
Total Other Financing Sources	<u>159,494</u>	<u>(20,000)</u>	<u>30,000</u>	<u>169,494</u>	<u>348,079</u>
<b>Net Change in Fund Balance</b>	193,698	(12,351)	16,295	197,642	260,967
<b>FUND BALANCE, Beginning</b>	<u>1,291,128</u>	<u>98,308</u>	<u>16,520</u>	<u>1,405,956</u>	<u>1,144,990</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 1,484,826</u>	<u>\$ 85,957</u>	<u>\$ 32,815</u>	<u>\$ 1,603,598</u>	<u>\$ 1,405,956</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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Net Change in fund balances-governmental funds (Exhibit D)</b>	\$ 197,642	\$ 260,967
<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)	(1,916)
<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	(77,014)	7,422
<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	6,336	(19,123)
Changes in deferred revenue	<u>(106,220)</u>	<u>114,731</u>
<b>Change in net position of governmental activities (Exhibit B)</b>	<u>\$ 18,983</u>	<u>\$ 362,081</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 SINGIFICANT 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

A small gift shop is located in the Visitor's Center and operated by the Hattiesburg Tourism Commission. 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, 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. As of September 30, 2019, the carrying amount of Hattiesburg Tourism Commission's deposits with financial institutions was \$1,374,195 (which includes investments in the amount of \$755,879) and the bank balance was \$1,397,377.

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.

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
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:

	<u>10/01/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>09/30/20</u>
Equipment	\$ 11,595		\$ -	\$ 11,595
Furniture	<u>71,649</u>	-	-	<u>71,649</u>
	<u>83,244</u>	-	-	<u>83,244</u>
Accumulated Depreciation	<u>76,315</u>	<u>1,761</u>	-	<u>78,076</u>
Net Fixed Assets	<u>\$ 6,929</u>			<u>\$ 5,168</u>

**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 may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

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, 2020 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, 2020, 2019, and 2018 were \$51,981, \$46,682, and \$34,060, 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, 2020 and 2019, the Commission reported a liability of \$967,942 and \$703,679 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020 net pension liability was 0.004532 percent, which was based on a measurement date of June 30, 2020. This was an increase of 0.000178 percent from its proportionate share used to calculate the September 30, 2019 net pension liability, which was based on a measurement date of June 30, 2019.

For the years ended September 30, 2020 and 2019, the Commission recognized pension expense of \$128,995 and \$39,260, respectively. At September 30, 2020 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	\$ 8,305	\$ -
Net difference between projected and actual earnings on pension plan investments	23,139	-
Changes of assumptions	4,332	-
Change in proportionate share	157,908	28,551
Contributions subsequent to the measurement date	11,331	-
	<u>\$ 205,015</u>	<u>\$ 28,551</u>

\$11,331 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, 2020. 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,	
2021	\$ 42,804
2022	75,392
2023	34,125
2024	12,812
2025	-
	<u>\$ 165,133</u>

**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, 2020 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	\$ 1,252,882	\$ 967,942	\$ 732,752

*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 POSITON*

The unrestricted net position amount of \$829,526 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 \$11,331 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, 2020. The \$221,793 balance of the deferred outflow of resources related to pensions will be recognized in pension expense over the next 4 years and the \$56,660 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 August 19, 2021, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

On March 11, 2020 the World Health Organization declared Covid-19 a pandemic. In response, the United States has experienced business disruption through mandated and voluntary restrictions on the travel and lodging industry. While the disruption is currently expected to be temporary, there is considerable uncertainty regarding the duration of these restrictions. The Commission is mitigating this risk by reducing budgeted revenues by 30% and working with state representatives to receive grant funding.

**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>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	0.004532%	0.004354%	0.003027%	0.004342%	0.003722%	0.004317%
Commission's proportionate share of the net pension liability	\$ 967,942	\$ 703,679	\$ 503,480	\$ 721,787	\$ 714,500	\$ 618,321
Commission's covered payroll	\$ 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	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%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 51,981	\$ 46,682	\$ 34,060	\$ 42,540	\$ 35,455	\$ 40,694
Contributions in relation to the contractually required contribution	\$ 51,981	\$ 46,682	\$ 34,060	\$ 42,540	\$ 35,455	\$ 40,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$298,739	\$289,258	\$216,254	\$270,095	\$ 225,111	\$258,375
Contributions as a percentage of covered payroll	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, 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-2B**

**HATTIESBURG TOURISM COMMISSION**  
**BUDGETARY COMPARISON**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Final Budget</u>	<u>Actual (non-GAAP Basis)</u>	<u>Variances Positive (Negative)</u>
<b>REVENUES</b>			
2% Bed Tax	\$ 720,000	\$ 726,131	\$ 6,131
Logo Shop Sales	6,000	10,455	4,455
Compensation Recovery Claim	-	303,500	303,500
Interest	2,000	7,547	5,547
State Miss Hospitality	10,000	30,000	20,000
Downtown Support Services	<u>22,500</u>	<u>92,221</u>	<u>69,721</u>
<b>TOTAL REVENUES</b>	<u>\$ 760,500</u>	<u>\$ 1,169,854</u>	<u>\$ 409,354</u>
<b>EXPENDITURES</b>			
Marketing	\$ 255,300	\$ 242,199	\$ 13,101
Gift Shop Purchases	4,000	9,001	(5,001)
Capital Expenditures	3,000	-	3,000
Office Operations	98,900	122,688	(23,788)
Compensation/Benefits	<u>397,759</u>	<u>466,522</u>	<u>(68,763)</u>
<b>TOTAL EXPENDITURES</b>	<u>758,959</u>	<u>840,410</u>	<u>(81,451)</u>
<b>NET EXCESS (DEFICIT)</b>	<u>\$ 1,541</u>	<u>\$ 329,445</u>	<u>\$ 327,903</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.

**HATTIESBURG TOURISM COMMISSION**  
SCHEDULE OF DIRECTORS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Board Member</u>	<u>Representation Area</u>	<u>Bond Amount</u>	<u>Bond Expires</u>
Frank James	Hotel Industry (1)	\$ 50,000	10/26/2021
Melanie Archer	Hotel Industry (2)	50,000	10/11/2022
Anthony L. Harris	Economic Development	50,000	1/15/2022
Fei Xue	University of Southern Mississippi	50,000	10/1/2021
Bonnie Warren	At Large (1)	50,000	11/5/2021
Vacant	At Large (2)	50,000	vacant
Vacant	At Large (3)	50,000	vacant

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.

American Institute of  
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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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated August 19, 2021.

### **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.

Handwritten signature in black ink that reads "King CPA, PLLC". The signature is written in a cursive, flowing style.

KING CPA, PLLC  
Petal, Mississippi  
August 19, 2021