

CRAFT YOUR OWN ADVENTURE



VISITHATTIESBURG™

FY2019 ANNUAL REPORT

10.1.18 - 9.30.19*



*The annual outside audit for FY2019 revenues and expenses will be submitted upon completion.

BIOGRAPHY OF VISITHATTIESBURG

In 2018, tourism was a \$292 million a year industry in Hattiesburg. It continues to grow every day.

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 22 years, Hattiesburg Craft Beer Festival, numerous concert series, Star-Spangled Celebration on the River Independence Day event, inaugural Hattiesburg Restaurant Week, the creation of the Dearly-Departed Walking Tour at Halloween, new signage for the Longleaf Trace, 1964 Freedom Summer Trail, Pinebelt Blueways, and Tatum Sportsplex, and the recruitment of various art-related exhibits throughout the community.

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.

To fully realize Hattiesburg's true potential as a visitor destination, the team at VisitHBURG must ensure its continued commitment to effective growth strategies in a competitive marketing environment. Overall, the team is pleased with the results of FY2019, looking forward to more years of growth and prosperity for the Hattiesburg community.

WE ARE VISITHATTIESBURG

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.

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

VISITHATTIESBURG STAFF

- **Marlo Dorsey**, Executive Director
- **Kristen Brock**, Director of Programs & Promotions
- **Paige Hunt**, Director of Sales & Visitor Services
- **Paige Robertson**, Director of Communications & Digital Strategies
- **Gayla Byrd**, Ambassador
- **Courtney Magee**, Ambassador

PROMOTING HBURG | #VISITHBURG

Marketing campaigns showcase Hattiesburg as a premier visitor destination.

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 being a tourism destination in the State of 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 first time in VisitHBURG’s history.

This year, VisitHATTIESBURG won the Mississippi Governor’s Conference Tourism Achievement Award for its National Travel & Tourism Week 2018 campaign.

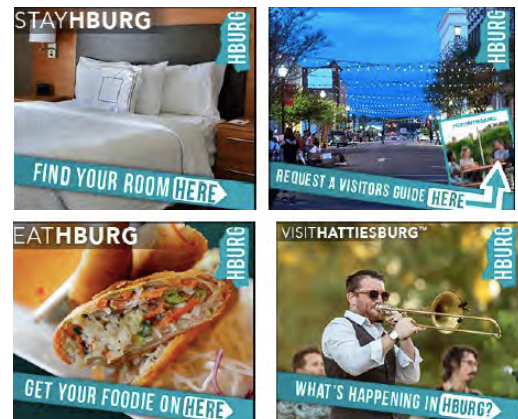


OUR FOCUS AREAS

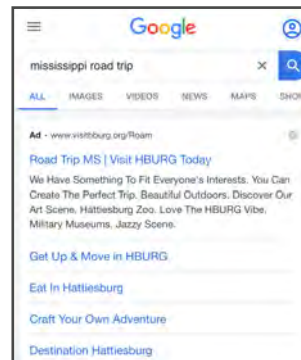
-  **GROW TOURISM’S ECONOMIC IMPACT IN HBURG**
-  **COMMUNICATE AND AMPLIFY THE HBURG STORY**
-  **STRENGTHEN PARTNER NETWORK & COLLABORATION**
-  **PRIORITIZE PLACEMAKING AND ENHANCE THE HBURG EXPERIENCE**

FY19 CAMPAIGN SUMMARY

- 5.38+ million digital ads delivered
- 9,300 hours of digital ad exposure



DIGITAL ADS / SITE RE-MESSAGING

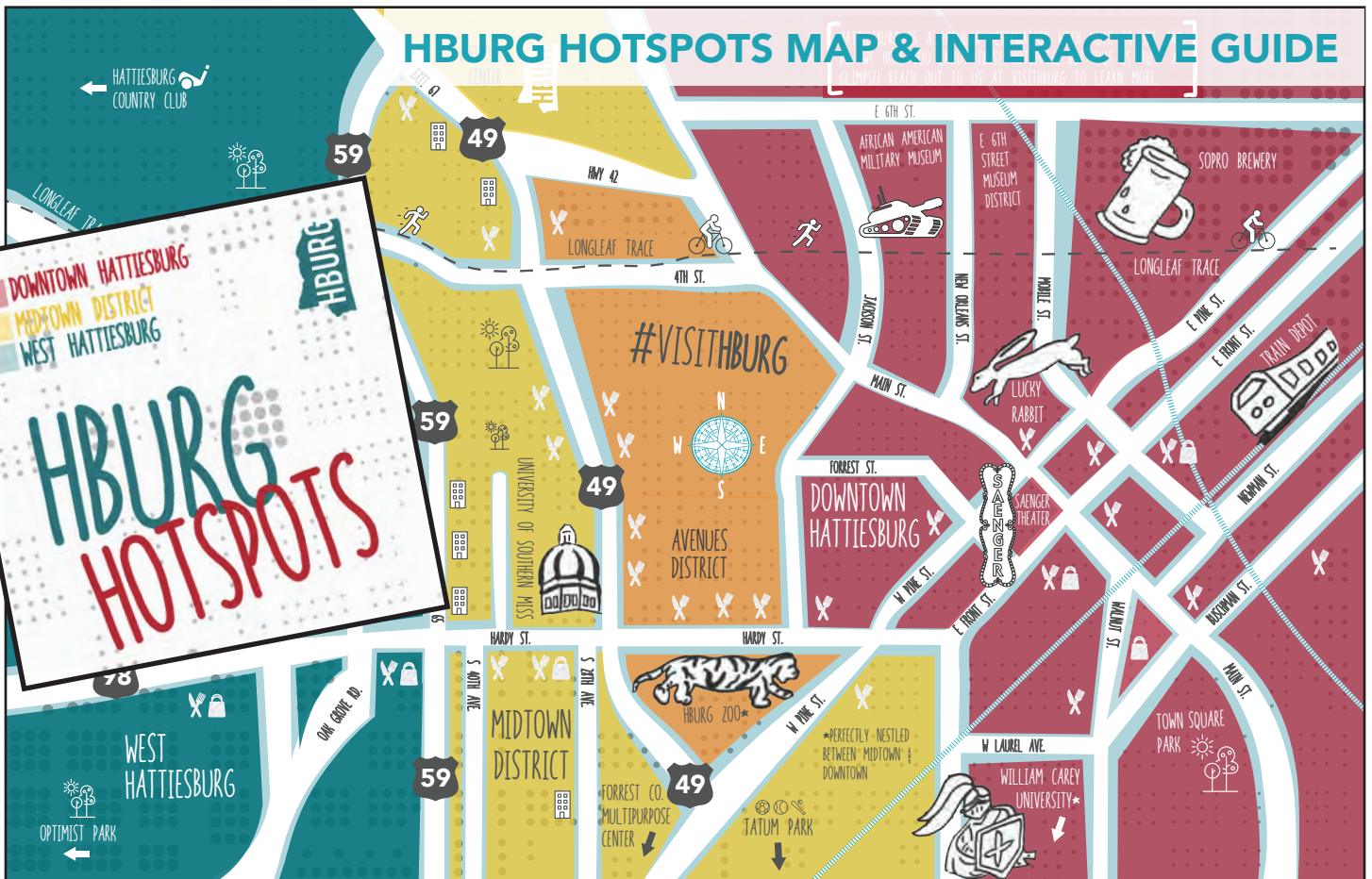


GOOGLE / SEARCH ENGINE MARKETING

UPDATED MARKETING MATERIALS

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 a 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 premiere city in the Gulf South. These products are representative of the diversity of accommodations, eateries, shops, and attractions that make up tourism in HBURG.



VISITHBURG IN THE MEDIA

VisitHBURG has been featured in numerous publications throughout the last year. Here is a glimpse of the magazine coverage that has reached leaders in economic development, business, and tourism as well as group tour operators and meeting planners. Other coverage includes area and regional newspapers, radio, and television.



MISSISSIPPI HATTIESBURG

Known as the Hub City for its ideal location in the South, Hattiesburg has something for everyone. Craft an adventure and enjoy the authentic flavor locals can't get enough of. Connect with Hattiesburg's bustling live music scene or the impressive variety of local eateries. Taste selections created in the barrels of its downtown brewery or drop into a pub to enjoy a cocktail on the patio. Discover the art scene, two military museums, or outdoor recreational offerings, such as the 41-mile Longleaf Trace rails-to-trails project.

"Hattiesburg is abundant with unique group-friendly activities and events," said Paige Hunt, director of sales and visitor services for VisitHATTIESBURG. "In addition, the city boasts more than 200 locally owned restaurants and 3,000 hotel rooms. No matter your reason for visiting, you will leave the Hub City with fond memories and full bellies."

VisitHATTIESBURG
601-296-7475
visithb.org

PLAY

Home to nearly 200 species, the **Hattiesburg Zoo** is a can't-miss attraction. Its intriguing and interactive exhibits, such as "Wallaby Walkthrough" and "Sloth Experience," splash pad and winding train are some of the many reasons Hattiesburg Zoo has been named "Best Attraction" in Mississippi and in the Pine Belt.

Hattiesburg Zoo
601-545-4576
hattiesburgzoo.com

LEARN

Camp Shelby is the largest active joint forces training site in the U.S. and houses the **Mississippi Armed Forces Museum**. The museum, which honors the servicemen and women of all branches from Mississippi and others, tells the personal stories of American heroes and serves to educate future generations about freedom.

Hattiesburg Zoo
601-558-2757
armedforcesmuseum.us

SHOP

Dive into one of Mississippi's most unique shopping experiences with a trip to **The Lucky Rabbit**. Filled with one-of-a-kind pieces, vintage decor, original art and more, groups won't leave disappointed or empty-handed. Plan the trip accordingly, as this popular store is only open the first Thursday through Sunday of each month.

The Lucky Rabbit
601-294-0997

EAT

One of eight chef Robert St. John eateries located in the Hub City, **Crescent City Grill** is known for its made-from-scratch Cajun and Creole dishes. Satisfy a craving for fresh fish and seafood, mouthwatering white chocolate bread pudding, or enjoy the extensive wine list, offering more than 900 labels.

Crescent City Grill
601-294-0997

CRAFT YOUR OWN FOODIE ADVENTURE IN HATTIESBURG, MS

RESTAURANT Hattiesburg MISSISSIPPI WEEK

GROUP-FRIENDLY SPECIALS & EVENTS EVERY OCTOBER

GROUP TOUR MEDIA ITINERARY & #EATHBURG AD
AUGUST & SEPTEMBER 2019

ATHBURG VISITHBURG.ORG



MISSISSIPPI: Hattiesburg

With thousands of hotel rooms, more than 200 locally-owned restaurants, award-winning attractions, two universities who call it home and spacious meeting venues, Hattiesburg, Mississippi, is a premier destination in the Gulf South. In addition, Hattiesburg offers world-class facilities to tens of thousands of youth and collegiate baseball, soccer, track, tennis, softball and football players, coaches, visitors and fans each year.

Tatum Park is one of the largest sports complexes in the South and Mississippi's choice youth facility. The multi-sport park offers 18 soccer fields, three softball fields, five baseball fields, two tennis courts, a disc golf course and multiple practice fields. Other amenities at Tatum Park include brand-new way-finding signage throughout the complex, ample parking, concessions, two playgrounds, batting cages and a pavilion for events. Additionally, the University of Southern Mississippi and William Carey University often partner with organizations coming to Hattiesburg by opening their collegiate-level facilities to sporting events, making Hattiesburg a prime destination for youth athletes.

Organizations that include hotel and accommodation bids, site inspections, on-site information booth, welcome bags for coaches and more. Youth and collegiate sports are a perfect fit for

SPORTS DESTINATION MANAGEMENT
MAY 2019

VISITHBURG BY THE NUMBERS



DIGITAL AND IN-PERSON OUTREACH CONTINUES TO GROW IN FY2019



1.7K FOLLOWERS



17K FANS



1.8K FOLLOWERS



500+ TOURISM EVENTS



13K CONTACTS



Out-of-state visitors spent an estimated

\$6.51 BILLION

in Mississippi in FY2018.

Mississippi's

127,560

direct travel and tourism jobs in FY2018, an increase of 4.6% over 2017.

In FY2018, an estimated

24 MILLION

people visited Mississippi.

TOURISM IMPACT IN HBURG

\$292 MILLION
VISITOR SPENDING
IN HATTIESBURG



\$26 TAX MILLION REVENUE
GENERATED BY
HBURG TOURISM

3,000
HOTEL ROOMS

2018 TOURISM PROJECTS

PINEBELT BLUEWAYS · TOURISM GRANT PROGRAM
TATUM PARK · HOTEL & HOSPITALITY ASSOCIATION
1964 FREEDOM SUMMER TRAIL · LONGLEAF TRACE
MIDTOWN LIGHTPOLE BANNERS · VISITORS GUIDE
MEETING PLANNERS GUIDE · DIGITAL MARKETING

500+
RESTAURANTS
200 LOCALLY-OWNED

4,470
TOURISM JOBS

IN HATTIESBURG

HBURG RED CARPET & VISITOR SERVICES

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 FY2019

- **SPORTS:** MS Youth Soccer Association Admiral Cup State Tournament · Hattiesburg Youth Soccer Association Spring and Fall Cane's Classic Tournaments · MS High School Activities Association football state championship games · Dixie Youth Baseball 8U State Tournament · MS Golf Association Tournaments · Midsouth Seniors Golf Association Tournament
- **TOURS:** *Journeys with Ginger* · Magical Mississippi Tour · Visit Mississippi Welcome Center Ambassador FAM
- **MEETINGS:** MS Music Educators Association / American Choral Directors Association Annual Conference · MS Association of Adult Day Services · MS Episcopal Diocese Council #192 Annual Meeting · Delta Sigma Theta MS Cluster 2019 · MS Association for Marriage & Family Therapy Annual Conference · EUROHA · MS Council for Exceptional Children · GPS Hospitality Annual Meeting

FY2019 QUICK FACTS

WELCOME BAGS SUPPLIED: Approx.

9,000

PEOPLE SERVED: Approx.

20,000+

VISITHBURG SALES DESTINATIONS:

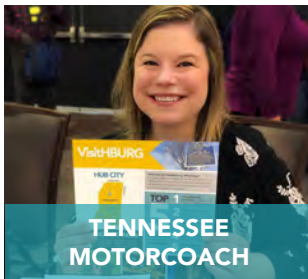
TRAVEL SOUTH USA DOMESTIC & INTERNATIONAL SHOWCASES; MSAE LUNCH AND LEARNS & ANNUAL CONVENTION; TENNESSEE MOTORCOACH; ATLANTA FOOD & WINE FESTIVAL

SALES BLITZES WITH HOTEL PARTNERS:

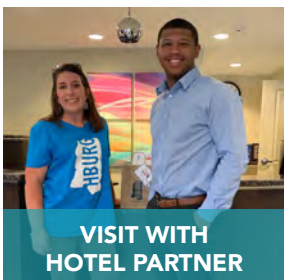
VISITED 81 ASSOCIATIONS AND MEETING PLANNERS DURING TWO BLITZES TO JACKSON, MS. FIVE HOTEL PARTNERS JOINED THE BLITZ TEAM



TEAM HATTIESBURG SALES BLITZ TO JACKSON



TENNESSEE MOTORCOACH



VISIT WITH HOTEL PARTNER



TRAVEL SOUTH USA DOMESTIC SHOWCASE

HBURG HIGHLIGHTS

Visitor spending was at an all-time high in 2018, totaling \$292 million.



A YEAR OF PARTNERSHIP & COLLABORATION

- Launched Tourism Grant Program, supporting 14 local organizations and events with \$25,000 in grants
- Partnered with Tatum Sportsplex, the Longleaf Trace, Pinebelt Blueways, and the 1964 Freedom Summer Trail to provide new signage and marketing support
- Hosted a familiarization tour for 27 front-line employees of Mississippi's 13 Welcome Centers through the state
- Created Hattiesburg Restaurant Week, featuring Culinary Crawl ticketed event at area hotels
- 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
- Dorsey named Treasurer for the Mississippi Tourism Association as well as Chairperson for MTA's Strategic Planning Committee



FREEDOM SUMMER TOUR RELAUNCH
VISITHBURG, CITY OF HATTIESBURG, CITY COUNCIL & FCBOs

GROWTH MILESTONES - LAST 10 YEARS

- | | |
|--|--|
| <p>2008</p> <ul style="list-style-type: none"> • Blues Trail Marker unveiled on Mobile Street • Downtown hosted the first "Live at Five" Concert Series • Hattiesburg visitors spent \$227 million <hr/> <p>2009</p> <ul style="list-style-type: none"> • 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 <hr/> <p>2010</p> <ul style="list-style-type: none"> • Blues Trail Marker unveiled at Hi-Hat Club location • Freedom Summer Trail Audio Tour unveiled • VisitHBURG hosted Heritage Day • Inaugural FestivalSouth • Tourism & Convention Commissions partner to manage Hattiesburg Zoo • VisitHBURG hosted Tradition/Innovation art exhibit • Hattiesburg visitors spent \$241 million <hr/> <p>2011</p> <ul style="list-style-type: none"> • Hattiesburg Flag Plaza opened • VisitHBURG and Hattiesburg Historic Downtown Association partnered to host New Harmonies art exhibit • Hattiesburg visitors spent \$225 million <hr/> <p>2012</p> <ul style="list-style-type: none"> • Hattie Mural unveiled at the Visitors Center • NTTW campaign received Research-In-Action Award • Hattiesburg visitors spent \$233 million <hr/> <p>2013</p> <ul style="list-style-type: none"> • Inaugural Hattiesburg Craft Beer Festival | <p>2014</p> <ul style="list-style-type: none"> • Hattiesburg Zoo opened Asbury Discovery Center • Hattiesburg visitors spent \$255 million <hr/> <p>2015</p> <ul style="list-style-type: none"> • Hattiesburg Zoo unveiled Hattie the Elephant statue • Hattiesburg Association for Public Art revealed public art sculptures in Downtown • VisitHBURG received Tourism Office of the Year Award at the Governor's Conference on Tourism • Hattiesburg visitors spent \$258 million <hr/> <p>2016</p> <ul style="list-style-type: none"> • Launched Ales to Trails campaign • VisitHBURG assisted \$25,000 to light the Longleaf Trace • Hattiesburg visitors spent \$274 million <hr/> <p>2017</p> <ul style="list-style-type: none"> • 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 - "Hattiesburg & All that Jazz" • Sponsored the MS Cycling 200 Ride, Levitt Amp Outdoor Music Series, and Dearly Beloved Premier Bridal Show • Light pole banner project on Hwy 49 and in Downtown • Marketing and Publicity Chair for Camp Shelby's Centennial Celebration <hr/> <p>2018</p> <ul style="list-style-type: none"> • Marlo Dorsey named Executive Director of VisitHBURG • VisitHBURG supported the MS Bicentennial Project - HBURG Storytellers • Hosted Travel South USA Showcase's pre-FAM tour • Named a top 25 holiday shopping destination by Expedia • Hattiesburg visitors spent \$292 million |
|--|--|

Travel Matters

EXPERIENCE · *adventure* · MEMORIES · *curb appeal*
authenticity · STORYTELLING · *service* · COMFORT
 KNOWLEDGE · *creativity* · FOOD · *friendliness*

National Travel & Tourism Week is an annual event coordinated by the U.S. Travel Association, designed to celebrate the value of tourism and its contributions to the travel economy.

The 2019 celebration, May 5 – 11, 2019, marked the 36th anniversary of this 1983 U.S. Congressional resolution. This year's theme was Travel Matters and focused on why various aspects of tourism matter to the local economy.



2019 NTTW SHINING STARS

The Shining Star award is Hattiesburg's only service-industry recognition where dozens of hospitality professionals are formally honored each year at the partner's luncheon during our weeklong celebration. The 2019 Shining Star award recipients, nominated by their managers or community members, are listed below.



TOURISM COMMISSIONERS PRESENTED VISITOR SPENDING CHECK TO CITY OF HATTIESBURG

NTTW 19 HIGHLIGHTS:

- HBURG Hotspots Challenge for Trip Advisor and Yelp reviews (two winners for leaving reviews)
- #EatHBURG coasters used at local restaurants all week encouraging reviews online
- Official Tourism Partner window clings given during thank you blitz
- Hattiesburg's Facebook frame was used nationwide by industry professionals throughout the week
- Offered two Service Sessions leading up to NTTW19 for industry professionals
- "Travel Talks" video series, featuring local partners
- Reported \$292 million in visitor spending in 2018 to the local economy



Abigail Smith	Baymont Inn & Suites
Trudy Dunaway	Baymont Inn & Suites
Noah Wood	Candlewood Suites
Sharon Gholar	Candlewood Suites
Akira Lewis	City of Hattiesburg
Charles Page	City of Hattiesburg
Jay Hester	City of Hattiesburg
Skip Matthews	City of Hattiesburg
Haley White	Coca-Cola Bottling Company United
Sue Gann	Comfort Suites
Rebecca Odum	Courtyard by Marriott
Cheyenne Palmer	DoubleTree by Hilton Hattiesburg
Karen Knight	Fairfield Inn and Suites by Marriott
Ashley Smith	Hampton Inn and Home2 Suites
Chris Tanner	Hampton Inn and Home2 Suites
Maggie Swindall	Hampton Inn and Home2 Suites
Maya Kristman	Hampton Inn and Home2 Suites
Tanya Saldana	Hampton Inn and Home2 Suites
Connie Shelton	Hilton Garden Inn
Keith Wooding	Hilton Garden Inn
Rhonda Bolton	Hilton Garden Inn
Zuleika Saucier	Hilton Garden Inn
Annie Harris	Holiday Inn Hattiesburg North
Jackie Jones	Holiday Inn Hattiesburg North
Latibbiyatta Evans	Holiday Inn Hattiesburg North
Marcus Jones	Holiday Inn Hattiesburg North
Ross Brent	Holiday Inn Hattiesburg North
Sunny Ezell	Holiday Inn Hattiesburg North
Anitra Anderson	Hotel Indigo
Brittany Davis	Hotel Indigo
Cody Scarbrough	Hotel Indigo
Lonny Nelson	Hotel Indigo
Scott Letteri	Hotel Indigo
Wanda McGee	Hotel Indigo
Kelly Lopez	Keg and Barrel
Santrice Sanso	Residence Inn by Marriott Hattiesburg
Leigh Reeves	Snapshot Publishing
Lashunda Barnes	TownePlace Suites by Marriott

INAUGURAL RESTAURANT WEEK

VisitHATTIESBURG sponsored the city's first Restaurant Week, Oct. 7 – 14, 2018. By partnering with local restaurants and hotels to highlight culinary offerings to visitors, VisitHATTIESBURG attracted foodies from throughout the southeastern U.S.

Visitors and locals enjoyed the week's overall theme, OctoberFEAST, as well as individual focuses for each day. Nearly 40 restaurants offered themed specials daily in addition to their weeklong menu items.



Daily themes were:

- Sunday: #CulinaryCrawl
- Monday: #MidtownMonday
- Tuesday: #TacoTuesday
- Wednesday: #EthnicEats
- Thursday: #GetDowntown
- Friday: #FriYAY
- Saturday: #BreakfastInTheBurg
- Sunday: #BrunchBurg

VisitHATTIESBURG promoted OctoberFEAST in several key markets, attracting visitors to Hattiesburg both through digital and traditional advertising. Locally, restaurants were provided with table top tents and bill inserts leading up to Restaurant Week.



#CULINARYCRAWL

VisitHATTIESBURG kicked off Restaurant Week with a #CulinaryCrawl through area hotels, including stops at Hotel Indigo, DoubleTree by Hilton, Hilton Garden Inn, and Courtyard by Marriott. At each stop, crawlers were served a signature dish and cocktail pairing. Transportation and entertainment were provided throughout the ticketed event.





Miss Hospitality

MISSISSIPPI

PLATINUM JUBILEE - 70 YEARS

The Mississippi Miss Hospitality program celebrated its 70th anniversary in July 2019 at the Historic Saenger Theater. In its 22nd year as host city, Hattiesburg welcomed 43 of the state's best and brightest young women during the Platinum Jubilee celebration.

New features added in 2018 during the program's rebranding and a heavy focus on recruitment in 2019 culminated in the addition of 12 new contestants in this year's competition, a growth from 31 contestants in 2018 to 43 in 2019. This marked the highest participation in more than decade. Recruitment efforts to ensure representatives were present from all regions of Mississippi added 14 new communities from the Gulf Coast to the Delta and the northernmost counties of the state.



**LITTLE MISS HOSPITALITIES
2019 LMH: HALLIE CLARK**



**WOMEN OF DISTINCTION FAREWELL BRUNCH,
HONORING MS FIRST LADY DEBORAH BRYANT**



**MISSISSIPPI MISS HOSPITALITY 2019
KASEY PEARSON**

Kasey Pearson of Amory was crowned the 2019 Mississippi Miss Hospitality, now serving as a goodwill ambassador for Mississippi's economic development and tourism industries during her reign. Pearson is a senior at the University of Mississippi, where she is involved in the Early Entry Pharmacy program, Kappa Delta, and the Student Activities Association. She recently began her first year of pharmacy school. Upon graduating with her Doctorate of Pharmacy, Kasey hopes to obtain a residency in pediatric medicine.

Mississippi Miss Hospitality's top five contestants were:

- Kasey Pearson, Amory, 2019 Mississippi Miss Hospitality
- Annaleigh Buckley, Petal, First Alternate
- Natalie Breland, Stone County, Second Alternate
- Asia Montgomery, Columbia, Third Alternate
- Georgia Akers, Pontotoc County, Fourth Alternate



HBURG HOTEL & HOSPITALITY ASSOCIATION

GROWTH & COLLABORATION

The HBURG Hotel & Hospitality Association was established in 2018 with plans to host a meeting once each quarter to strengthen partnerships, share best practices, and network with the staff at VisitHBURG. The group originally consisted of General Managers and Directors of Sales from Hattiesburg's 40 hotels and bed & breakfast properties.

In 2019, meeting venues and facilities joined the HBURG Hotel & Hospitality Association. The quarterly meetings included a holiday social, Q&A session with Mayor Toby Barker regarding the one percent special tax, and an introduction to Berkeley Young with Young Strategies, who is developing VisitHBURG's long-range strategic plan. Additionally, VisitHBURG offered Hospitality Training sessions for HH&HA members' front-line employees.



HOSPITALITY TRAINING SESSION (1 OF 2)



HOTEL & CONVENTION PARTNERS AT ASSOCIATION MEETING

AS VISITHATTIESBURG BEGINS A LONG-RANGE STRATEGIC PLAN FOR TOURISM PLEASE JOIN US FOR A

HBURG HOTEL & HOSPITALITY ASSOCIATION MEETING

WITH BERKELEY YOUNG, PRESIDENT
YOUNG STRATEGIES, INC.
PLANNING AND TRAVEL RESEARCH SPECIALISTS

HOLIDAY INN NORTH HWY 49 • BALLROOM
FRIDAY, JUNE 14, 2019 • 11:30PM - 1:00PM
LUNCH INCLUDED • RSVP: PHUNT@VISITHBURG.ORG



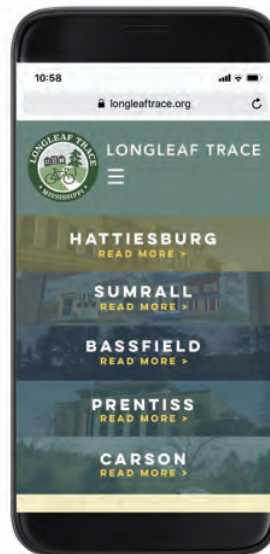
PRESIDENT OF YOUNG STRATEGIES BERKLEY YOUNG SEEKS FEEDBACK FROM ASSOCIATION MEMBERS FOR VISITHBURG LONG-RANGE STRATEGIC PLAN

LONGLEAF TRACE NEW BRAND LAUNCH

LONGLEAFTRACE.ORG



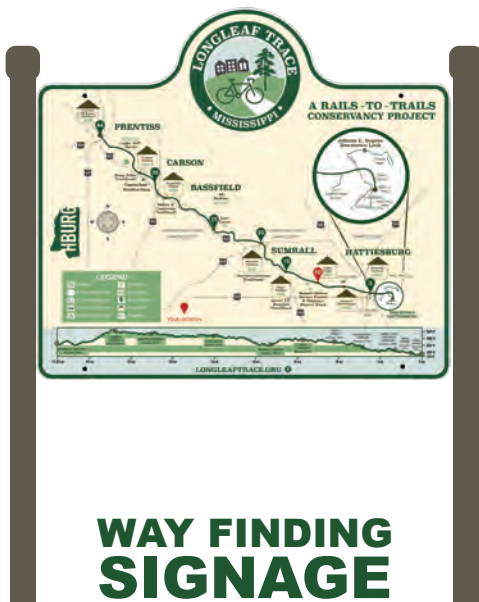
**NEW LOGO
DOOR / WINDOW DECALS**



**MOBILE-FRIENDLY
WEBSITE**



**BROCHURES
INCLUDING NEW MAP**



**WAY FINDING
SIGNAGE**



**TRACE SPUR
SIGNAGE**



**TRACE STATION
SIGNAGE**

FREEDOM SUMMER TRAIL NEW BRAND LAUNCH

HBURGFREEDOMTRAIL.ORG



NEW LOGO



REGIONAL CAMPAIGN DIGITAL & PRINT ADVERTISEMENTS



AUDIO TOUR



WAY FINDING SIGNAGE



BROCHURES INCLUDING NEW MAP



MOBILE-FRIENDLY WEBSITE

RECREATIONAL ATTRACTION UPDATES

2018-19



PINEBELT BLUEWAYS WAYFINDING SIGNAGE

BROCHURES INCLUDING A NEW MAP

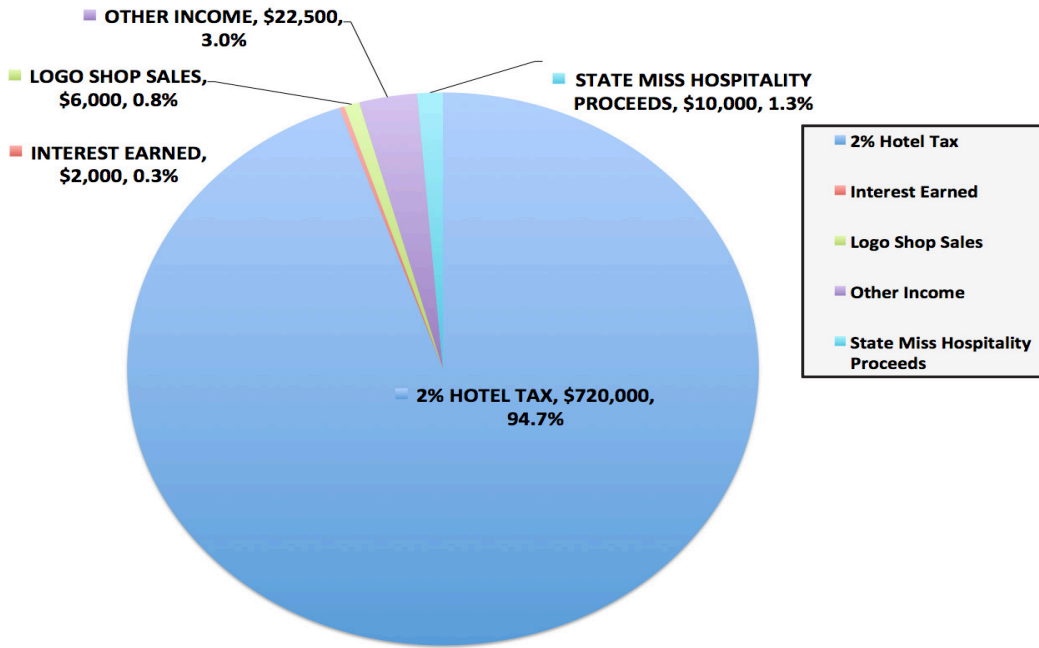


TATUM PARK DIRECTIONAL & FIELD SIGNAGE

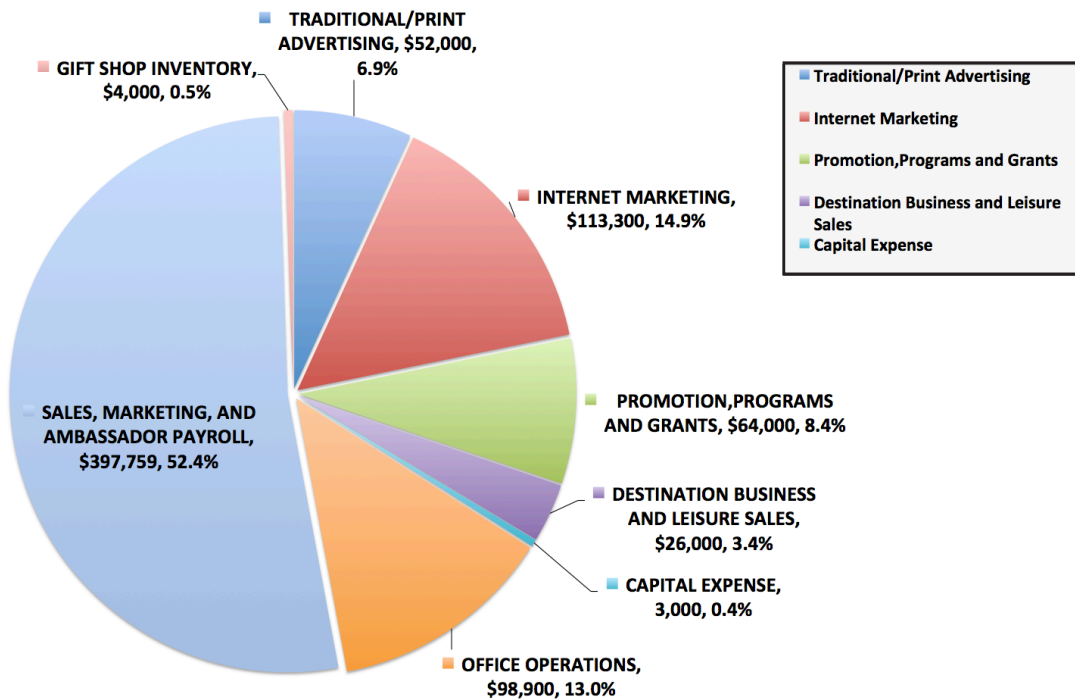
FY2019 BUDGET



VISITHATTIESBURG FY2019 PROJECTED INCOME



VISITHATTIESBURG FY2019 EXPENSES



HATTIESBURG TOURISM COMMISSION
(VISIT HATTIESBURG)

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2019 and 2018

HATTIESBURG TOURISM COMMISSION
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2019 and 2018

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American Institute of
Certified Public Accountants

King CPA, PLLC

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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, 2019 and 2018, 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, 2019 and 2018, 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 May 31, 2020, 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
May 31, 2020

HATTIESBURG TOURISM COMMISSION

FINANCIAL STATEMENTS

EXHIBIT A

HATTIESBURG TOURISM COMMISSION
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2019 AND 2018

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 619,116	\$ 804,638
Investments	755,879	224,480
Due from other governments	237,204	174,057
Other receivables	6,995	14,178
Inventory	10,246	19,302
Fixed assets, net	6,928	8,845
TOTAL ASSETS	<u>1,636,369</u>	<u>1,245,500</u>
Deferred Outflow of Resources		
Deferred outflow related to pensions	<u>124,488</u>	<u>18,137</u>
Liabilities		
Accounts payable	23,760	9,445
Accrued payroll & related taxes	21,992	19,219
Accrued compensated absences	27,627	8,504
Net pension liability	<u>703,679</u>	<u>503,480</u>
TOTAL LIABILITIES	<u>777,058</u>	<u>540,648</u>
Deferred Inflow of Resources		
Deferred inflow related to pensions	<u>135,273</u>	<u>236,543</u>
Net Position		
Net investment in capital assets	6,928	8,845
Restricted for:		
Hattiesburg Alliance for Public Art	16,520	16,369
Unrestricted	<u>825,078</u>	<u>461,233</u>
TOTAL NET POSITION	<u>\$ 848,526</u>	<u>\$ 486,446</u>

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

HATTIESBURG TOURISM COMMISSION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

FUNCTION/PROGRAM EXPENSES:	Governmental Activities	
	2019	2018
Tourism Promotion		
Payroll expense	\$ 440,507	\$ 363,431
Pension expense	39,260	17,553
Advertising and promotion	187,559	171,174
Operational costs	237,087	123,506
Grants and sponsorships	30,860	24,950
Purchases for resale	22,406	7,423
Depreciation and related asset charges	1,916	1,696
Events and Programs		
FAM tours	4,598	4,726
Art and sculpture projects	34,573	22,335
MS Miss Hospitality	99,963	103,355
Total Function/Program Expenses	1,098,730	840,148
 PROGRAM REVENUES:		
Charges for Services		
Gift shop sales	10,551	9,560
MS Miss Hospitality	133,847	112,824
Support services	85,569	54,517
Other income	6,745	974
Operating Grants and Contributions		
Mississippi Development Authority	5,000	5,000
AAMHMC	-	700
Hattiesburg Alliance for Public Art	24,716	17,275
Total Program Revenue	266,428	200,850
NET PROGRAM EXPENSE	(832,302)	(639,298)
 GENERAL REVENUES (EXPENSES):		
Special sales tax	841,362	674,468
Compensation recovery claim	303,500	-
Insurance proceeds	44,579	-
Uncollectible special sales tax	-	(63,057)
Interest income	4,941	793
Total General Revenues (Expenses)	1,194,382	612,204
Transfer to AAMHMC	-	(13,112)
Total General Revenues & Transfers	1,194,382	599,092
CHANGE IN NET POSITION	362,080	(40,206)
 NET POSITION - Beginning of Year	486,446	526,652
NET POSITION - End of Year	\$ 848,526	\$ 486,446

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

HATTIESBURG TOURISM COMMISSION
BALANCE SHEETS – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019 AND 2018

	General Fund	Special Revenue Funds		Total	
		MMH Pageant	HAPA	2019	2018
ASSETS:					
Cash and cash equivalents	\$ 504,288	\$ 98,308	\$ 16,520	\$ 619,116	\$ 804,638
Investments	755,879	-	-	755,879	224,480
Due from other governments	237,204	-	-	237,204	174,057
Other receivables	6,995	-	-	6,995	14,178
Inventory	10,246	-	-	10,246	19,302
Total Assets	<u>\$ 1,514,612</u>	<u>\$ 98,308</u>	<u>\$ 16,520</u>	<u>\$ 1,629,440</u>	<u>\$ 1,236,655</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 23,760	\$ -	\$ -	23,760	\$ 9,445
Deferred revenue	177,732	-	-	177,732	63,001
Accrued payroll & related taxes	21,992	-	-	21,992	19,219
Total Liabilities	<u>223,484</u>	<u>-</u>	<u>-</u>	<u>223,484</u>	<u>91,665</u>
Fund Balances:					
Restricted					
Hattiesburg Alliance for Public Art	-	-	16,520	16,520	16,369
Committed:					
Operational reserve	720,000	-	-	720,000	450,000
Assigned:					
Art partnership reserve	40,000	-	-	40,000	50,000
Lightpole banner project	10,000	-	-	10,000	20,000
Civic special attraction project	200,000	-	-	200,000	200,000
Strategic planning and implementation	182,143	-	-	182,143	50,000
MS Miss Hospitality	-	98,308	-	98,308	89,246
Unassigned:					
General fund	138,985	-	-	138,985	269,375
Total Fund Balance	<u>1,291,128</u>	<u>98,308</u>	<u>16,520</u>	<u>1,405,956</u>	<u>1,144,990</u>
Total Liabilities and Fund Balance	<u>\$ 1,514,612</u>	<u>\$ 98,308</u>	<u>\$ 16,520</u>	<u>\$ 1,629,440</u>	<u>\$ 1,236,655</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Total Fund Balance-Governmental Funds (Exhibit C)	\$ 1,405,956	\$ 1,144,990
 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	(76,315)	(74,399)
 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	(703,679)	(503,480)
 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	134,169	18,137
Deferred inflows of resources related to pensions	(144,954)	(236,543)
 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 27627	177,732	63,001
 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	(27,627)	(8,504)
Total Net Position-Governmental Activities (Exhibit A)	\$ 848,526	\$ 486,446

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, 2019 AND 2018

	<u>Special Revenue Funds</u>				
	General Fund	MMH Pageant	HAPA	<u>Total</u>	
				<u>2019</u>	<u>2018</u>
REVENUES					
Special sales tax	\$ 726,632	\$ -	\$ -	\$ 726,632	\$ 709,142
Support Services	85,569	-	-	85,569	54,517
HCC reimbursement	-	-	-	-	26,392
Gift shop sales	10,551	-	-	10,551	9,560
Event revenue	-	133,847	-	133,847	117,824
Membership dues	-	-	-	-	17,975
Donations	-	-	24,725	24,725	-
Other income	6,663	5,073	-	11,736	974
Interest income	4,835	106	-	4,941	793
Total Revenues	<u>834,250</u>	<u>139,025</u>	<u>24,725</u>	<u>998,000</u>	<u>937,176</u>
EXPENDITURES					
Tourism Promotion					
Payroll expense	468,273	-	-	468,273	364,762
Advertising and promotion	188,995	-	-	188,995	173,098
Operational costs	235,444	-	-	235,444	126,831
Grants and sponsorships	30,860	-	-	30,860	24,950
Purchases for resale	22,406	-	-	22,406	7,423
Events and Programs					
FAM tours	4,598	-	-	4,598	4,726
Art and sculpture projects	-	-	34,573	34,573	22,335
MS Miss Hospitality	-	99,963	-	99,963	103,355
Total Expenditures	<u>950,576</u>	<u>99,963</u>	<u>34,573</u>	<u>1,085,112</u>	<u>827,480</u>
OTHER FINANCING SOURCES					
Operating transfers in	30,000	-	10,000	40,000	22,000
Operating transfers out	(10,000)	(30,000)	-	(40,000)	(22,000)
Compensation recovery claim	303,500	-	-	303,500	-
Insurance proceeds	44,579	-	-	44,579	-
Transfer to AAMHMC	-	-	-	-	(13,112)
Total Other Financing Sources	<u>368,079</u>	<u>(30,000)</u>	<u>10,000</u>	<u>348,079</u>	<u>(13,112)</u>
Net Change in Fund Balance	251,753	9,062	152	260,967	96,585
FUND BALANCE, Beginning	<u>1,039,375</u>	<u>89,246</u>	<u>16,368</u>	<u>1,144,990</u>	<u>1,048,405</u>
FUND BALANCE, Ending	<u>\$ 1,291,128</u>	<u>\$ 98,308</u>	<u>\$ 16,520</u>	<u>\$ 1,405,956</u>	<u>\$ 1,144,990</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Net Change in fund balances-governmental funds (Exhibit D)	\$ 260,967	\$ 96,585
 Amounts reported for governmental activities in the statement of activities are different because:		
 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.		
Capital outlay	-	4,227
Depreciation expense	(1,916)	(1,696)
 Some items reported in the statement of activities relating to the implementation of GASB 68 are not reported in the governmental funds.		
Recording of pension expense for the current period	(4,433)	(17,553)
Recording of contributions made subsequent to measurement date	11,855	9,835
 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.		
Changes in compensated absences	(19,123)	(7,482)
Changes in deferred revenue	<u>114,731</u>	<u>(124,122)</u>
 Change in net position of governmental activities (Exhibit B)	 <u>\$ 362,080</u>	 <u>\$ (40,206)</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, 2021 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, 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. As of September 30, 2018, the carrying amount of Hattiesburg Tourism Commission's deposits with financial institutions was \$1,029,118 (which includes investments in the amount of \$224,480) and the bank balance was \$1,038,029.

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. As of September 30, 2019 and 2018, \$629,815 and \$226,283, respectively of the Commission's bank balance was exposed to 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:

	10/01/18	Additions	Disposals	09/30/19
Equipment	\$ 11,595		\$ -	\$ 11,595
Furniture	71,649	-	-	71,649
	83,244	-	-	83,244
 Accumulated Depreciation	 74,399	 1,916	 -	 76,316
 Net Fixed Assets	 \$ 8,845			 \$ 6,928

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, 2018 was 15.75% 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, 2019, 2018, and 2017 were \$46,682, \$34,060, and \$42,540, 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, 2019 and 2018, the Commission reported a liability of \$703,679 and \$503,480 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019 net pension liability was 0.004354 percent, which was based on a measurement date of June 30, 2019. This was an increase of 0.001327 percent from its proportionate share used to calculate the September, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

For the years ended September 30, 2019 and 2018, the Commission recognized pension expense of \$39,260 and \$17,553, respectively. At September 30, 2019 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	\$ 315	\$ 822
Net difference between projected and actual earnings on pension plan investments	-	37,847
Changes of assumptions	6,908	-
Change in proportionate share	105,410	96,604
Contributions subsequent to the measurement date	11,855	-
	\$ 124,488	\$ 135,273

\$11,855 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,	
2020	\$ (37,679)
2021	(7,168)
2022	25,420
2023	(3,213)
2024	-
	\$ (22,640)

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, 2019 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	1.00%	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:

	1% Decrease 6.75%	Current Discount 7.75%	1% Increase 8.75%
District's Proportionate Share of the net pension liability	\$ 271,523	\$ 211,103	\$ 156,297

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 \$825,078 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 \$11,855 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 \$112,633 balance of the deferred outflow of resources related to pensions will be recognized in pension expense over the next 4 years and the \$135,273 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 \$22,000 per year, 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 Positon 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 May 31, 2020, 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 caused 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 has experienced a 50% decline in revenues for the months following the disruption. However, the long-term financial impact and duration cannot be reasonably estimated at this time. Management believes reserves are sufficient for the short-term.

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*

	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	0.004354%	0.003027%	0.004342%	0.003722%	0.004317%
Commission's proportionate share of the net pension liability	\$ 703,679	\$ 503,480	\$ 721,787	\$ 714,500	\$ 618,321
Commission's covered payroll	\$ 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	243.27%	232.82%	267.23%	317.40%	239.31%
Plan fiduciary net position as a percentage of the total pension liability	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 46,682	\$ 34,060	\$ 42,540	\$ 35,455	\$ 40,694
Contributions in relation to the contractually required contribution	\$ 46,682	\$ 34,060	\$ 42,540	\$ 35,455	\$ 40,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$ 289,258	\$ 216,254	\$ 270,095	\$ 225,111	\$ 258,375
Contributions as a percentage of covered payroll	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, 2019

	<u>Final Budget</u>	<u>Actual (non-GAAP Basis)</u>	<u>Variances Positive (Negative)</u>
REVENUES			
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	22,500	92,221	69,721
TOTAL REVENUES	<u>\$ 760,500</u>	<u>\$ 1,169,854</u>	<u>\$ 409,354</u>
EXPENDITURES			
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	397,759	466,522	(68,763)
TOTAL EXPENDITURES	<u>758,959</u>	<u>840,410</u>	<u>(81,451)</u>
NET EXCESS (DEFICIT)	<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.

SCHEDULE-2B

HATTIESBURG TOURISM COMMISSION
BUDGETARY COMPARISON
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual (non-GAAP Basis)</u>	<u>Variances Positive (Negative)</u>
REVENUES			
2% Bed Tax	\$ 675,000	\$ 725,892	\$ 50,892
Interest	1,000	742	(258)
Logo Shop Sales	2,400	13,629	11,229
Misc Income	17,000	54,517	37,517
State Miss Hospitality	<u>10,000</u>	<u>10,000</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 705,400</u>	<u>\$ 804,780</u>	<u>\$ 99,380</u>
EXPENDITURES			
Marketing	\$ 215,600	\$ 249,833	\$ (34,233)
Capital Expenditures	3,000	-	3,000
Office Operations	103,000	116,460	(13,460)
Sales, Marketing, & Ambassador Payroll	<u>382,165</u>	<u>352,502</u>	<u>29,663</u>
TOTAL EXPENDITURES	<u>703,765</u>	<u>718,795</u>	<u>(15,030)</u>
NET EXCESS (DEFICIT)	<u>\$ 1,635</u>	<u>\$ 85,985</u>	<u>\$ 84,350</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, 2019

<u>Board Member</u>	<u>Representation Area</u>	<u>Bond Amount</u>	<u>Bond Expires</u>
Frank James	Hotel Industry (1)	\$ 50,000	10/26/2020
Melanie Archer	Hotel Industry (2)	50,000	10/11/2020
Anthony L. Harris	Economic Development	50,000	1/15/2020
Fei Xue	University of Southern Mississippi	50,000	10/1/2022
Bonnie Warren	At Large (1)	50,000	11/5/2020
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.

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Mississippi Society of Certified
Public Accountants

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, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated May 31, 2020.

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, flowing style.

KING CPA, PLLC
Petal, Mississippi
May 31, 2020