

JACKSON CONVENTION AND VISITORS BUREAU
DBA VISIT JACKSON

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

JACKSON CONVENTION AND VISITORS BUREAU
DBA VISIT JACKSON

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jackson Convention and Visitors Bureau
Jackson, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Jackson Convention and Visitors Bureau (the Bureau), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Jackson Convention and Visitors Bureau's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jackson Convention and Visitors Bureau as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bureau, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bureau's internal control. Accordingly, no such opinion is expressed.

(Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Bureau's basic financial statements for the year ended September 30, 2023, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and schedules of net pension liability and pension contributions information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bureau's basic financial statements. The schedules of cash and investments and schedule of surety bonds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

(Continued)

Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of cash and investments, schedule of surety bonds, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Bureau's basic financial statements for the year ended September 30, 2023, which are only presented as summarized comparative information with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and the major fund. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bureau's basic financial statements as a whole. The schedule of cash and investments at September 30, 2023, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is a responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of cash and investments at September 30, 2023, is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025, on our consideration of the Jackson Convention and Visitors Bureau'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jackson Convention and Visitors Bureau's 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 the Jackson Convention and Visitors Bureau's internal control over financial reporting and compliance.

May 30, 2025

Tann, Brown & Russ Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**JACKSON CONVENTION AND VISITORS BUREAU
DBA VISIT JACKSON**

**Management's Discussion & Analysis (MD&A)
Years Ended September 30, 2024 and 2023**

Introduction: The following discussion provides an overview and analysis of the financial activities and operational highlights of the Jackson Convention and Visitors Bureau (the Bureau) for the fiscal years ended September 30, 2024, and 2023. Readers are encouraged to review this narrative alongside the accompanying financial statements and related supplementary information, which provides insights into the Bureau's financial performance, highlighting key developments, challenges, and outlook.

Financial Analysis and Highlights

The condensed information below was derived from the Bureau's Statements of Net Position at September 30, 2024, and September 30, 2023. The Bureau's net position is resources that may be used to meet ongoing obligations. The net position at September 30, 2024, was (\$882,497) a decrease of \$879,355 from fiscal year 2023's net position of (\$3,142).

Financial Position: The Bureau's net position, reflecting resources available to meet obligations, decreased by \$879,355, ending at a restricted net position of (\$882,497). This decline contrasts with the previous year's negative net position of (\$3,142). This significant change is primarily attributed to Unearned Revenue (see below).

Asset Composition: Notably, cash and short-term investments remain a significant portion of overall assets, representing 82% of total assets, indicating liquidity.

Liability Dynamics: Liabilities increased slightly by \$652,690 (9%), primarily due to the recognition of additional unearned grant revenue and an increase in the net pension liability. Additionally, accounts payable reflected a higher-than-normal balance, driven by late-billed invoices associated with ARPA-Round 1.

Unearned Revenue: In January 2023, the Mississippi Legislature allocated \$2,915,519 under the American Rescue Plan Act (ARPA – Round 1). As of September 30, 2024, \$1,804,124 had been recognized as revenue—\$38,813 in FY2023 and \$1,765,311 in FY2024—leaving a remaining balance of \$1,111,395 in unearned grant revenue from Round 1.

In March 2024, the Legislature allocated an additional \$2,110,039 under ARPA – Round 2. As of September 30, 2024, no expenditures had been made from these funds.

As a result, total unearned grant revenue at fiscal year-end was \$3,221,434, comprised of \$1,111,395 from ARPA Round 1 and \$2,110,039 from ARPA Round 2.

Deferred Resources: Under the Public Employees' Retirement System of Mississippi, the Bureau recorded Deferred Outflows of Resources of \$1,460,214, Deferred Inflows of Resources of \$407,900, and a Net Pension Liability of \$4,222,823 (\$3,989,251 in FY 2023).

Financial Performance: In the fiscal year 2024, the Bureau's total revenues amounted to \$5,432,448, up from \$3,606,121 in FY 2023 – an increase of \$1,826,327 (51%). This growth was primarily driven by ARPA Round 1 operating grant revenue and steady local sales tax collections.

Interest earnings also saw an increase of \$85,234 due to higher short-term investment interest rates.

Program expenditure amounted to \$6,311,803 in FY 2024, compared to \$4,647,048 in FY 2023. The largest allocations were to promotional activities (47%) and personnel services (29%). Promotional spending rose by \$1,464,422, supported by ARPA Round 1 program activity.

Expenses related to the Bureau's participation in the Mississippi Public Employment Retirement System (PERS) represented 18% of overall expenses.

Condensed Statements of Net Position

	Fiscal Year 2024	Fiscal Year 2023	Dollar Change	Percentage Change
Current assets:				
Cash	3,096,428	2,465,798	630,630	26%
Certificate of deposit	2,095,531	2,004,375	91,156	100%
Tax receivable	580,738	539,838	40,900	8%
Other receivables	10,061	31,959	(21,898)	-69%
Prepaid expenses	67,710	8,158	59,552	730%
Noncurrent assets:				
Security deposit	9,735	9,735	-	0%
Depreciable capital assets, net	500,794	632,143	(131,349)	-21%
Total Assets	6,360,997	5,692,006	668,991	12%
Deferred outflows of resources:				
Pensions	1,107,291	2,037,523	(930,232)	-46%
Current liabilities:				
Accounts payable/other payables	342,895	122,749	220,146	179%
Unearned grant revenue	3,221,434	2,876,706	344,728	100%
Compensated absences	62,654	51,135	11,519	23%
Current portion of lease liabilities	146,747	157,275	(10,528)	-7%
Noncurrent liabilities:				
Lease liabilities, net of current portion	299,255	446,002	(146,747)	-33%
Net pension liability	4,222,823	3,989,251	233,572	6%
Total liabilities	8,295,808	7,643,118	652,690	9%
Deferred inflows of resources:				
Pensions	54,977	89,553	(34,576)	-39%
Net Position:				
Net investment in capital assets	54,792	28,866	25,926	90%
Unrestricted	(937,289)	(32,008)	(905,281)	2828%
Total Net Position	(882,497)	(3,142)	(879,355)	27987%

Condensed Statements of Activities

	Fiscal Year 2024	Fiscal Year 2023	Dollar Change	Percentage Change
General revenues				
Local sales tax	3,532,829	3,506,946	25,883	1%
Interest earnings	93,340	8,106	85,234	1051%
Miscellaneous	9,014	1,626	7,388	454%
Program revenues:			-	
Charges for services	17,248	40,630	(23,382)	-58%
Operating grants	1,780,017	48,813	1,731,204	3547%
Total revenues	5,432,448	3,606,121	1,826,327	51%
Program expenditures:				
Personnel services	1,832,416	1,660,656	171,760	10%
Promotional Activities	2,943,882	1,479,460	1,464,422	99%
General Operational	201,942	212,305	(10,363)	-5%
Debt Service/Capital Outlay	204,335	211,434	(7,099)	-3%
PERS	1,129,228	1,083,193	46,035	4%
Total expenses	6,311,803	4,647,048	1,664,755	36%
Change in net position	(879,355)	(1,040,927)	161,572	-16%
Net position, beginning	(3,142)	1,036,684	(1,039,826)	-100%
Restatement	-	1,101	(1,101)	-100%
Net position, ending	(882,497)	(3,142)	(879,355)	27987%

USING THE ANNUAL REPORT

The overview and analysis is intended to serve as an introduction to the Bureau's basic financial statements, which include three components: (1) the financial statements, (2) notes to the financial statements, and (3) the required supplementary information, which includes a budgetary comparison schedule. These components are described below.

FINANCIAL STATEMENT ANALYSIS

The government-wide financial statements are designed to provide information about the activities of the Bureau as a whole and present a longer-term view of its finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. These financial statements take into account all revenues and expenses related to the fiscal year, regardless of whether the cash involved has been received or disbursed. The financial statements include two statements:

1. The Statements of Net Position (pages 11 and 12) present the Bureau's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as "Total Net Position." Over time, increases or decreases in the Bureau's net position serve as an indicator of whether the financial position of the Bureau is improving or deteriorating.

2. The Statements of Activities (page 13) present information regarding how net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for items that will not result in cash transactions until future fiscal periods.

The Fund Financial Statements (the balance sheet and the statement of revenues, expenditures, and changes in fund balance) are on pages 14 through 20. These statements are designed to tell how the services were financed in the short term as well as what remains for future spending. The fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. We describe the relationship (or differences) between government activities (reported in the Statement of Net Position and the Statement of Activities) and government funds in a separate reconciliation following the fund financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information essential to fully understanding the financial statements' data. The notes to the financial statements can be found beginning on page 21 of this report.

SUPPLEMENTARY INFORMATION

Following the basic financial statements is required supplementary information that is used to further explain and support the information in the financial statements. The required supplementary information, the Budgetary Comparison Schedule and Pension Schedules, can be found on pages 39 through 41. Other supplementary information is the Schedule of Expenditures of Federal Awards (page 42), Schedules of Cash and Investments (page 44) and the Schedule of Surety Bonds (page 45).

Budgetary Performance:

During fiscal year 2024, the Bureau initially budgeted for a \$100,000 deficit. The revised budget's projected deficit increased to \$200,000.

One budget amendment was made during the year, primarily to account for a vehicle purchase and expenses related to the 2023 and 2024 Jackson Food & Wine Festival.

Revenues:

Total revenues came in \$7,082 below the budgeted amount of \$5,725,040.

While budgeted tax revenue for fiscal year 2024 remained consistent with the prior year's budget, actual tax collections fell short by \$28,073. However, a timing difference in event proceeds from the prior year resulted in \$18,900 in event revenue above the budgeted \$10,500.

Expenditures:

Actual expenditures were \$657,632 below budget.

A negative net variance of \$15,384 between General Operating and Debt Service expenses resulted from rents, leases, and subscription services being recorded under General Operations instead of Debt Service.

Promotional activities came in \$573,542 under budget, primarily due to the deferral of ARPA Round 1 expenses – specifically for design, production, and destination master plan work (\$437,799), to fiscal year 2025. Additionally, savings were achieved through cost efficiencies across various budget categories, reflecting prudent financial management.

Looking ahead, the Bureau will maintain a conservative approach in its projections for the upcoming year, ensuring financial responsibility and sustainability.

Operational Highlights

In fiscal year 2024, local sales tax revenue remained stable but continued to reflect the lingering impact of infrastructure challenges across Jackson. While the number of boil water notices decreased compared to the prior year, disruptions to hotel and restaurant operations persisted, limiting the city's full tourism recovery. Several key hospitality properties remained offline or operated at reduced capacity, affecting both inventory and visitor spending.

Despite these limitations, Jackson continued to welcome visitors for major events and festivals, supported by strategic promotional efforts and increased visibility through ARPA-funded campaigns. The Bureau's partnerships with local businesses and event organizers remained critical in sustaining momentum.

Perception and Community Image

In addition to infrastructure challenges, the Bureau continues to navigate longstanding public perception issues related to safety and overall city image. These concerns—often amplified by media coverage and public discourse—can influence travel decisions and investor confidence, despite the many cultural, culinary, and historical assets Jackson offers.

To address this, the Bureau remains focused on showcasing the authentic spirit of Jackson—its people, events, and sense of place—through strategic storytelling and destination branding. By elevating local voices, highlighting progress, and promoting the city's unique experiences, the Bureau aims to reshape perception and strengthen community pride.

Economic Outlook and Forecast:

While food and lodging tax revenues—generated through tourism—remained essentially flat compared to the prior year, Visit Jackson leveraged available resources to support key events, drive promotional efforts, and maintain strategic momentum. The Bureau remained focused on amplifying Jackson's unique story, expanding destination awareness, and building community partnerships that enhance the visitor experience.

Looking ahead, the tourism outlook for Jackson is cautiously optimistic. Key factors influencing future growth include investments in infrastructure, enhanced marketing efforts, and ongoing support from the Mississippi Development Authority. MDA's planned spending of \$1-\$1.3 million monthly in statewide tourism advertising—including support for Visit Jackson campaigns—represents a significant opportunity to drive visitation and economic impact.

The launch of the Jackson Destination Master Plan marks a pivotal step in shaping the city's long-term tourism strategy. Grounded in community engagement and data-driven recommendations, the plan outlines actionable goals to enhance visitor experiences, strengthen tourism infrastructure, attract investment, and support sustainable destination development.

Conclusion:

Through prudent financial management, strategic planning, and disciplined budgetary oversight, the Bureau successfully navigated another year of operational and economic complexity. Despite infrastructure setbacks, perception challenges, and a competitive travel environment, Visit Jackson continued to deliver value through its core mission of promoting tourism and supporting the local economy.

As we enter fiscal year 2025, our commitment to promoting tourism and fostering economic development in the Jackson community remains unwavering. Strategic initiatives will focus on enhancing visitor experiences, diversifying revenue streams, and optimizing operational efficiency to navigate emerging challenges and seize new opportunities.

With the implementation of the Jackson Destination Master Plan, the Bureau is positioned to lead tourism development with fiscal responsibility and vision. Our priorities include sustaining momentum, strengthening the tourism ecosystem, and fostering local pride—while remaining responsive to shifting economic indicators and community needs.

By judiciously leveraging financial resources, embracing innovation, and maintaining strategic flexibility, Visit Jackson is poised for continued growth and lasting impact in the Jackson community.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Jackson Convention and Visitors Bureau and to show the Bureau's accountability for the funding it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Jackson Convention and Visitors Bureau President/CEO, Rickey Thigpen, at (601) 960-1891, or P.O. Box 1450, Jackson, MS 39215-1450.

BASIC FINANCIAL STATEMENTS

JACKSON CONVENTION AND VISITORS BUREAU

STATEMENTS OF NET POSITION
September 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash (Note 3)	\$ 3,096,428	\$ 2,465,798
Certificate of deposit (Note 3)	2,095,531	2,004,375
Local sales tax receivable	580,738	539,838
Other receivables (net of allowance for doubtful accounts of \$32,000)	10,061	31,959
Prepaid expenses	67,710	8,158
Total Current Assets	<u>5,850,468</u>	<u>5,050,128</u>
NONCURRENT ASSETS		
Lease security deposit	9,735	9,735
Capital assets, net of accumulated depreciation (Note 4)	500,794	632,143
Total Noncurrent Assets	<u>510,529</u>	<u>641,878</u>
Total Assets	<u>6,360,997</u>	<u>5,692,006</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions (Note 9)	1,107,291	2,037,523
Total Deferred Outflows of Resources	<u>1,107,291</u>	<u>2,037,523</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	300,334	91,715
Other payables	42,561	31,034
Unearned grant revenue	3,221,434	2,876,706
Compensated absences payable, due within one year (Note 6)	62,654	51,135
Current portion of lease and subscription liabilities (Note 5)	146,747	157,275
Total Current Liabilities	<u>3,773,730</u>	<u>3,207,865</u>
NONCURRENT LIABILITIES		
Lease and subscription liabilities, net of current portion (Note 5)	299,255	446,002
Net pension liability (Notes 6 and 9)	4,222,823	3,989,251
Total Noncurrent Liabilities	<u>4,522,078</u>	<u>4,435,253</u>
Total Liabilities	<u>8,295,808</u>	<u>7,643,118</u>

(Continued)

JACKSON CONVENTION AND VISITORS BUREAU

STATEMENTS OF NET POSITION - CONTINUED
September 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions (Note 9)	<u>54,977</u>	<u>89,553</u>
Total Deferred Inflows of Resources	<u>54,977</u>	<u>89,553</u>
<u>NET POSITION</u>		
Net investment in capital assets	54,792	28,866
Unrestricted	<u>(937,289)</u>	<u>(32,008)</u>
Total Net Position	<u>\$ (882,497)</u>	<u>\$ (3,142)</u>

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

JACKSON CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

Year Ended September 30, 2024

(With Comparative Totals for the Year Ended September 30, 2023)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>	
		<u>Charges for Services and Merchandise</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities 2024</u>	<u>2023</u>
GOVERNMENTAL ACTIVITIES:					
Promotion of tourism and conventions	<u>\$ 6,311,803</u>	<u>\$ 17,248</u>	<u>\$ 1,780,017</u>	<u>\$ (4,514,538)</u>	<u>\$ (4,557,605)</u>
Total governmental activities	<u>\$ 6,311,803</u>	<u>\$ 17,248</u>	<u>\$ 1,780,017</u>	<u>(4,514,538)</u>	<u>(4,557,605)</u>
GENERAL REVENUES:					
Local sales tax				3,532,829	3,506,946
Interest earnings				93,340	8,106
Miscellaneous				<u>9,014</u>	<u>1,626</u>
Total general revenues				<u>3,635,183</u>	<u>3,516,678</u>
CHANGE IN NET POSITION				(879,355)	(1,040,927)
NET POSITION - BEGINNING OF YEAR				<u>(3,142)</u>	<u>1,037,785</u>
NET POSITION - END OF YEAR				<u>\$ (882,497)</u>	<u>\$ (3,142)</u>

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

JACKSON CONVENTION AND VISITORS BUREAU

BALANCE SHEETS
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS:		
Cash (Note 3)	\$ 3,096,428	\$ 2,465,798
Certificate of deposit	2,095,531	2,004,375
Local sales tax receivable	580,738	539,838
Other receivables (net of allowance for doubtful accounts of \$32,000)	10,061	31,959
Prepaid expenses	67,710	8,158
Lease security deposit	<u>9,735</u>	<u>9,735</u>
 Total Assets	 <u>\$ 5,860,203</u>	 <u>\$ 5,059,863</u>
 LIABILITIES:		
Accounts payable	\$ 300,334	\$ 91,715
Other payables	42,561	31,034
Unearned grant revenue	<u>3,221,434</u>	<u>2,876,706</u>
Total Liabilities	<u>3,564,329</u>	<u>2,999,455</u>
 DEFERRED INFLOWS OF RESOURCES:		
Unavailable tax revenue	<u>293,537</u>	<u>267,258</u>
 FUND BALANCE:		
Nonspendable:		
Prepaid expenses	67,710	8,158
Security deposit	<u>9,735</u>	<u>9,735</u>
	77,445	17,893
Restricted for promotion of tourism and conventions	<u>1,924,892</u>	<u>1,775,257</u>
Total Fund Balance	<u>2,002,337</u>	<u>1,793,150</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 5,860,203</u>	 <u>\$ 5,059,863</u>

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

JACKSON CONVENTION AND VISITORS BUREAU

RECONCILIATION OF THE BALANCE SHEETS
TO THE STATEMENTS OF NET POSITION
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
TOTAL FUND BALANCE - GOVERNMENTAL FUND	\$ 2,002,337	\$ 1,793,150
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and therefore are not reported in the fund statement.	500,794	632,143
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	1,107,291	2,037,523
Deferred inflows of resources	(54,977)	(89,553)
Some tax receivables are collected more than 30 days after year end and, therefore, are not available to pay for current period expenditures and are recorded as deferred inflows of resources in the fund statement.	293,537	267,258
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the fund statement. Those liabilities consist of:		
Compensated absences	(62,654)	(51,135)
Lease liabilities	(446,002)	(603,277)
The net pension liability is not due and payable in the current period and therefore is not reported in the funds.	<u>(4,222,823)</u>	<u>(3,989,251)</u>
NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (882,497)</u>	<u>\$ (3,142)</u>

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

JACKSON CONVENTION AND VISITORS BUREAU
 STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
 Years Ended September 30, 2024 and 2023

	2024	2023
REVENUES:		
Local sales tax	\$ 3,506,550	\$ 3,519,131
Federal grant revenue	1,765,311	38,813
Partnership income	14,706	10,000
Interest income	93,340	8,106
Event revenue	7,650	30,740
Merchandise sales	9,598	9,890
Miscellaneous	9,014	1,626
Total Revenues	5,406,169	3,618,306
EXPENDITURES:		
Personnel services:		
Salaries and wages	1,336,063	1,222,761
Employee benefits	383,786	351,587
Payroll taxes	99,464	95,191
Other	1,585	250
Total Personnel Services	1,820,898	1,669,789
General Operations:		
Supplies	14,025	18,272
Maintenance	8,166	7,062
Subscriptions	12,083	15,770
Rent	17,151	13,417
Insurance	13,201	11,410
Shipping	3,377	2,257
Telecommunications	26,111	23,001
Professional services	47,377	48,458
Administrative	5,945	8,775
Professional affiliations	62,388	57,161
Professional development	4,062	6,721
Total General Operations	213,886	212,304

(Continued)

JACKSON CONVENTION AND VISITORS BUREAU

STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - CONTINUED
 GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
 Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
EXPENDITURES: (Continued)		
Promotional Activities:		
Travel and entertainment	193,678	181,812
Merchandise	72,780	70,332
Advertising	885,187	291,151
Branding	59,279	59,285
Design/production	643,006	31,184
Website	45,664	24,284
Sales and marketing initiatives	31,262	49,953
Promotional materials	66,479	58,117
Research	102,687	60,593
Business promotion	104,781	135,492
Engagement	80,492	98,449
Convention, meeting and event support	190,273	257,814
Destination development	405,946	50,549
Other promotions	46,230	110,330
Miscellaneous services and charges	4,193	115
Total Promotional Activities	<u>2,931,937</u>	<u>1,479,460</u>
Debt Service:		
Principal	157,275	156,724
Interest	25,490	31,126
Total Debt Service	<u>182,765</u>	<u>187,850</u>
Capital Outlay:		
Furniture and fixtures	7,191	41,847
Office equipment	5,305	-
Vehicle	35,000	-
Right-to-use leased equipment	-	24,908
Subscription software	-	7,945
Total Capital Outlay	<u>47,496</u>	<u>74,700</u>
Total Expenditures	<u>5,196,982</u>	<u>3,624,103</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	209,187	(5,797)

(Continued)

JACKSON CONVENTION AND VISITORS BUREAU
 STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - CONTINUED
 GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
 Years Ended September 30, 2024 and 2023

	2024	2023
OTHER FINANCING SOURCES		
Issuance of long-term lease and subscription obligations	-	32,853
NET CHANGE IN FUND BALANCE	209,187	27,056
FUND BALANCE AT BEGINNING OF YEAR	1,793,150	1,766,094
FUND BALANCE AT END OF YEAR	\$ 2,002,337	\$ 1,793,150

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

JACKSON CONVENTION AND VISITORS BUREAU

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	\$ 209,187	\$ 27,056
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital asset purchases as expenditures.	47,496	74,700
Governmental activities allocate the cost of capital assets over their estimated useful lives as depreciation expense and the remaining undepreciated cost is removed upon disposal of the assets:		
Depreciation expense	(178,845)	(180,308)
Certain revenues receivable at year end are not available to pay for current period expenditures and, therefore, are not reported as revenues in the governmental fund:		
Change in deferred inflows of resources - unavailable revenue	26,279	(12,185)
Governmental funds report the issuance of long-term lease and subscription obligations as an other financing source rather than a liability	-	(32,853)
Governmental funds report principal payments on long-term debt as an expenditure rather than a reduction of a liability.	157,275	156,724
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:		
Change in compensated absences liability	(11,519)	9,132

(Continued)

JACKSON CONVENTION AND VISITORS BUREAU

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES -
CONTINUED

Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Governmental funds do not report the changes in the net pension liability and the related deferred inflows and outflows of resources as expenditures because they do not require the use of current financial resources:		
Net pension liability	(233,572)	(586,364)
Deferred outflows of resources	(930,232)	(407,276)
Deferred inflows of resources	<u>34,576</u>	<u>(89,553)</u>
 CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES	 <u>\$ (879,355)</u>	 <u>\$ (1,040,927)</u>

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

JACKSON CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS Years Ended September 30, 2024 and 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jackson Convention and Visitors Bureau (the Bureau) was created in May, 1999, pursuant to the provisions of Senate Bill No. 3080 of the State of Mississippi. The original legislation, which included an expiration date of July 1, 2004, has been extended on numerous occasions, most recently by House Bill No. 1565 in April, 2022, which extended the Board's mission through July 1, 2026. This legislation provides for a tax in the amount of 1% of the gross proceeds of sales of restaurants, hotels and motels in Jackson, Mississippi, to fund the operations of the Bureau.

The accounting policies of the Bureau conform to accounting principles generally accepted in the United States of America (GAAP). The Bureau applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

A. FINANCIAL REPORTING ENTITY

The Jackson Convention and Visitors Bureau is a separately administered governmental entity created by the State of Mississippi for the purpose of the establishment, promotion, and development of tourism, conventions and related matters within the City of Jackson, Mississippi. The Bureau is fiscally dependent upon the State of Mississippi for: a) the authority to levy taxes or set rates or charges, and (b) the authority to issue bonded debt.

The Bureau's board of directors is composed of nine voting members. The board members are appointed by the Mayor of the City of Jackson with confirmation by the City Council. The composition of the board is as follows:

- Two individuals, as members representing hotel/motel properties, who are members of the Capitol City Convention Center Commission;
- Two individuals, as members representing restaurants, who are members of the Capitol City Convention Center Commission;
- One individual as a member representing the business community, selected from a panel of nominations submitted by the Greater Jackson Chamber Partnership (formerly known as the Jackson Chamber of Commerce);

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- One individual as a member representing the arts community;
- One individual as a member representing the education community;
- One individual as a member representing the attractions industry, selected from a panel of nominations submitted by the Metro Jackson Attractions Association;
- One individual as an at-large member.
- The general manager of the Capital City Convention Center shall serve as an ex-officio, non-voting member of the board.

B. BASIS OF PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The basic financial statements include:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-Wide Financial Statements

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. This approach includes not just current assets and liabilities, but also capital and other long-term assets as well as long-term liabilities and deferred inflows and outflows of resources. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Government-wide financial statements include the following:

Statement of Net Position – The statement of net position is designed to display the financial position of the overall entity. The Bureau reports capital assets in the government-wide statement of net position and reports depreciation expense – the periodic expense related to capital assets that is based on an allocation of the assets' acquisition costs over their estimated useful lives – in the statement of activities. The net position of the Bureau may be broken down into three categories:

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- Net investment in capital assets
- Restricted
- Unrestricted

Statement of Activities – The statement of activities reports a comparison between the direct expenses and program revenues of the Bureau's function to promote tourism and conventions. The Bureau has reported all revenues and costs of providing services under the accrual basis of accounting in the statement of activities. The Bureau's function is also supported by general government revenues such as the local sales tax and interest earnings. The statement of activities reduces gross expenses by related program revenues. Amounts reported as program revenues generally include: 1) revenue from customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally-dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Bureau's accounts have been grouped into a single special revenue fund, which is a governmental type fund. Special revenue funds are used to account for the proceeds of specific resources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Governmental funds are presented using the *current financial resources measurement focus* and on the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The tourist and convention local sales tax is a derived-tax revenue and, therefore, is measurable at the time of the transaction on which the tax is based. Revenues are considered available if normally received by the Bureau within 30 days after year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when a liability is incurred, except for certain compensated absences and interest on long-term debt which are recognized when payment is due.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance. An accompanying schedule is presented to reconcile and explain the differences in the fund balance and changes in fund balance as presented in the fund financial statements in comparison to the net position and changes in net position as presented in the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the Bureau's policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts, when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

C. BUDGET

The Bureau's board of directors approves the annual budget of the Bureau for the subsequent fiscal year prior to October 1 of each year. Once approved, the board of directors may amend the budget by resolution.

The Bureau's annual budget is prepared on a basis other than GAAP. Claims that have been incurred prior to the end of the year and that are paid within 30 days after year end are recorded under the accrual basis. Prior year claims that are paid more than 30 days after year end revert to the cash basis. All revenue is accounted for under the cash basis.

The Bureau's board of directors has adopted a fund balance reserve policy under which the minimum fund balance should be sufficient to cover six months of operating expenditures. The minimum fund balance reserve goal is calculated during the annual budgeting process.

D. CASH

Cash includes demand deposit accounts, petty cash and amounts held by payment processing companies.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. INVESTMENTS

Pursuant to State statute, the Bureau is allowed to invest excess funds in: (1) any bonds or other direct obligations of the United States of America, the State of Mississippi, or any county or municipality of Mississippi, provided such county or municipal bonds have been properly approved; (2) obligations issued, or guaranteed in full as to principal and interest, by the United States of America, which are subject to a repurchase agreement with a qualified depository; or (3) interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds.

The Bureau’s investment consists of a bank certificate of deposit and is reported at cost plus accrued interest, which approximates fair value.

F. CAPITAL ASSETS

Capital assets, which include leasehold improvements, furniture, fixtures, software, and equipment, are reported in the Governmental Activities column of the government-wide financial statements.

The Bureau’s capital assets are capitalized at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The Bureau has adopted \$5,000 as the capitalization threshold for reporting capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is recorded in the government-wide financial statements on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are as follows:

<u>Asset</u>	<u>Life in Years</u>
Computer equipment and software	3
Other equipment	5
Furniture and fixtures	7
Leasehold improvements	7
Right-to-use leased equipment	3-5
Right-to-use leased building	8
Subscription assets	3-6

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. LEASES AND SUBSCRIPTION AGREEMENTS

The Bureau is a lessee for noncancellable leases of equipment and a building. In addition, the Bureau has subscription agreements for the right to use various information technology software systems. The Bureau recognizes lease and subscription liabilities and intangible right-to-use lease and subscription assets in the financial statements. Lease and subscription assets are reported with other capital assets. At the commencement of a lease or subscription, the liability is initially measured at the present value of payments expected to be made during the agreement term. The Bureau uses the interest rate charged by the other party as the discount rate. When the interest charged by the other party is not available, the Bureau generally uses its estimated incremental borrowing rate as the discount rate. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight line basis over its useful life or the agreement term, as applicable, and the amortization is reflected as depreciation expense in the financial statements.

H. COMPENSATED ABSENCES PAYABLE

The Bureau accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. These conditions arise primarily from vacation benefits that employees have earned but have not taken. The Bureau has recorded the amount as a liability in the government-wide financial statements. Governmental funds record the earned vacation as an expenditure of the current year to the extent it is paid during the year.

I. 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 Employees Retirement System of Mississippi (PERS) and additions to/deductions from are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (or periods) and that, consequently, will not be recognized as an outflow of resources (expense/expenditure) until then. The Bureau reflects deferred outflows of resources related to the pension plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (or periods) and that, consequently, will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported as deferred inflows of resources only in the balance sheet at the fund statement level. Tax receivables that do not meet the Bureau's 30-day availability period are reflected as deferred inflows of resources in the balance sheet at the fund statement level rather than as revenues. The Bureau also reflects deferred inflows of resources related to the pension plan.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows/outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

L. PRIOR-YEAR COMPARATIVE INFORMATION

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Bureau's financial statements for the year ended September 30, 2023, from which such summarized information was derived.

(Continued)

Notes to Financial Statements – Continued

NOTE 2. TOURIST AND CONVENTION TAX

The tourist and convention tax is a local sales tax levied upon the gross sales of: (a) hotels and motels, located in the City of Jackson, Mississippi, which have more than ten rental units; and (b) restaurants, located in the City of Jackson, Mississippi, which have annual sales or gross income of \$100,000 or more.

The tourism and convention tax is collected by the Mississippi Department of Revenue and is remitted to the City of Jackson, Mississippi, which, in turn, remits it to the Bureau.

NOTE 3. DEPOSITS

Deposits in financial institutions at September 30, 2024 and 2023, are summarized as follows:

	<u>Reported Amount</u>	<u>Bank Balance</u>
<u>2024</u>		
Cash – checking and savings accounts	\$3,055,962	\$3,316,109
Certificate of deposit	<u>2,095,531</u>	<u>2,051,090</u>
Total deposits	<u>\$5,151,493</u>	<u>\$5,367,199</u>
<u>2023</u>		
Cash – checking and savings accounts	\$2,433,738	\$2,451,397
Certificate of deposit	<u>2,004,375</u>	<u>2,000,000</u>
Total deposits	<u>\$4,438,113</u>	<u>\$4,451,397</u>

The differences of \$215,706 and \$13,284 at September 30, 2024 and 2023, respectively, was due to outstanding checks and accrued interest.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Bureau’s deposits may not be returned to it.

The collateral for public entities’ deposits in financial institutions is 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 Bureau’s funds are protected through a public funds 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 Deposit Insurance Corporation.

(Continued)

Notes to Financial Statements – Continued

NOTE 3. DEPOSITS – Continued

As of September 30, 2024, \$785,602 of the Bureau's bank balance of \$5,367,199 was covered by the Federal Deposit Insurance Corporation and the remainder was collateralized by the State Treasurer's public funds collateral pool.

NOTE 4. CAPITAL ASSETS

The Bureau reports capital assets in the government-wide statement of net position at net book value.

Capital assets activity of the Bureau for the year ended September 30, 2024, consisted of the following:

	Balance at October 1, 2023	Increases	Decreases	Balance at September 30, 2024
Leasehold improvements	\$ 14,762	\$ -	\$ -	\$ 14,762
Office equipment	34,035	5,305	-	39,340
Furniture and fixtures	128,022	7,191	-	135,213
Vehicle	-	35,000	-	35,000
Right-to-use leased equipment	40,030	-	-	40,030
Right-to-use leased building	844,409	-	-	844,409
Intangible assets:				
Subscription software assets	184,182	-	-	184,182
Total capital assets being depreciated	<u>1,245,440</u>	<u>47,496</u>	<u>-</u>	<u>1,292,936</u>
Less accumulated depreciation for:				
Leasehold improvements	8,436	2,109	-	10,545
Office equipment	32,778	2,003	-	34,781
Furniture and fixtures	54,214	17,930	-	72,144
Vehicle	-	1,750	-	1,750
Right-to-use leased equipment	14,897	10,271	-	25,168
Right-to-use leased building	413,408	105,551	-	518,959
Intangible assets:				
Subscription software assets	89,564	39,231	-	128,795
Total accumulated depreciation	<u>613,297</u>	<u>178,845</u>	<u>-</u>	<u>792,142</u>
Total capital assets, net of accumulated depreciation	<u>\$ 632,143</u>	<u>\$ (131,349)</u>	<u>\$ -</u>	<u>\$ 500,794</u>

(Continued)

NOTE 5. LEASE AND SUBSCRIPTION LIABILITIES

The Bureau is the lessee of equipment and a building under agreements with noncancellable terms ranging from three to eight years. Interest on the lease liabilities has been imputed at the Bureau’s incremental borrowing rate at their inception, which ranges from 3.25% to 8.25%.

The Bureau utilizes various information technology software systems under subscription-based agreements with noncancelable terms ranging from three to six years. Interest on the subscription liabilities has been imputed at the Bureau’s incremental borrowing rate at their inception, which ranges from 3.25% to 6.25%.

The future principal and interest payments for the lease agreements as of September 30, 2024, were as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 121,720	\$ 16,631	\$ 138,351
2026	127,730	10,548	138,278
2027	134,997	4,250	139,247
2028	<u>13,294</u>	<u>112</u>	<u>13,406</u>
	<u>\$ 397,741</u>	<u>\$ 31,541</u>	<u>\$ 429,282</u>

The future principal and interest payments for the subscription agreements as of September 30, 2024, were as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 25,027	\$ 1,673	\$ 26,700
2026	<u>23,234</u>	<u>766</u>	<u>24,000</u>
	<u>\$ 48,261</u>	<u>\$ 2,439</u>	<u>\$ 50,700</u>

(Continued)

Notes to Financial Statements – Continued

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended September 30, 2024:

	Beginning Balance October 1, 2023	Additions	Reductions/ Payments	Ending Balance September 30, 2024	Due Within One Year
Lease liabilities	\$ 516,696	\$ -	\$ 118,955	\$ 397,741	\$121,720
Subscription liabilities	86,581	-	38,320	48,261	25,027
Compensated absences	51,135	110,084	98,565	62,654	62,654
Net pension liability	3,989,251	233,572	-	4,222,823	-
	<u>\$4,643,663</u>	<u>\$ 343,656</u>	<u>\$ 255,840</u>	<u>\$ 4,731,479</u>	<u>\$209,401</u>

NOTE 7. NET POSITION

Net position represents the differences between the assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources on the government-wide financial statements. Net position is categorized as follows:

Net investment in capital assets – This component consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any liabilities that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – This component consists of net position with constraints placed on the use by: (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – This component consists of the remaining net position that is not reflected in the previous categories.

(Continued)

NOTE 8. FUND BALANCE REPORTING

In accordance with authoritative guidance, the Bureau provides for two major types of fund balance, which are nonspendable and spendable. The nonspendable fund balance consists of balances that cannot be spent because they are not expected to be converted to cash or because they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Bureau has prepaid expenses and security deposits, so nonspendable fund balance is reflected for these.

In addition to the nonspendable fund balance, the Bureau provides a hierarchy of spendable fund balances, based on spending constraints.

- Restricted: The fund balance that is constrained by external parties, constitutional provision, or enabling legislation.
- Committed: The fund balance that contains self-imposed constraints of the government from its highest level of decision-making authority, which is the board of directors.
- Assigned: The fund balance that contains self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: The fund balance that is not constrained for any particular purpose.

In accordance with its enabling legislation, the tax revenue received by the Bureau is levied to provide funds for the promotion of tourism and conventions. Therefore, the Bureau's net position and fund balance can only be used for the specific purpose of promoting tourism and conventions.

The Bureau has classified the spendable fund balance as *Restricted* and considers it to have been spent when expenditures are incurred.

(Continued)

NOTE 9. PENSION PLAN

Public Employees' Retirement System

General Information about the Plan

Plan Description: In May, 2021, the Bureau began contributing to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan for all eligible employees. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005, by calling PERS at 601-359-3589 or 1-800-444-PERS, or by accessing the www.pers.ms.gov website.

Benefits Provided: Plan 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% 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% 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. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a designated beneficiary receives benefits for life or for a specified number of years. 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. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.00% 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 3.00% compounded for each fiscal year thereafter.

(Continued)

NOTE 9. PENSION PLAN - Continued

Funding Policy: PERS members are required to contribute 9% of their annual covered salary, and the Bureau is required to contribute at an actuarially-determined rate. The Bureau’s current contribution rate is 17.9% of the annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Bureau’s contributions (excluding amounts withheld from members’ salaries) to PERS for the years ended September 30, 2024 and 2023, were \$244,008 and \$209,308, respectively, which was equal to 100% of the required contributions for the year.

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

At September 30, 2024, the Bureau reported a liability of \$4,222,823 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation prepared as of June 30, 2023. The Bureau’s proportion of the net pension liability was based on the ratio of the Bureau’s PERS contributions to the total of all employers’ PERS contributions for the measurement year. For the measurement year ended June 30, 2024, the Bureau’s proportion was 0.016262%, which was an increase of 0.000401% from its 0.015861% proportion for the year ended June 30, 2023.

For the years ended September 30, 2024 and 2023, the Bureau recognized pension expense of \$1,373,235 and \$1,292,501, respectively, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at September 30, 2024:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 227,204	\$ -
Changes of assumptions	261,561	-
Net difference between projected and actual earnings on pension plan investments	13,994	-
Changes in the Bureau’s proportion	547,511	54,977
Bureau’s contributions subsequent to the measurement date	57,021	-
	<u>\$1,107,291</u>	<u>\$ 54,977</u>

(Continued)

Notes to Financial Statements – Continued

NOTE 9. PENSION PLAN - Continued

The net effect of these deferred outflows of resources and deferred inflows of resources on the net assets of governmental activities is an increase of \$1,052,314 at September 30, 2024.

\$57,021 reported as deferred outflows of resources related to pensions resulting from Bureau contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>September 30,</u>	
2025	\$ 679,517
2026	334,082
2027	15,999
2028	<u>(34,305)</u>
	<u>\$ 995,293</u>

Actuarial Assumptions: The total pension liability as of June 30, 2024, was determined by an actuarial valuation prepared as of June 30, 2023, with a measurement date of June 30, 2024, using standard roll forward techniques.

The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65% - 17.90%, average, including inflation
Investment rate of return	7.00%, 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, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disable Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates were projected generationally using the MP-2020 projection sale to account for future improvements in life expectancy.

(Continued)

NOTE 9. PENSION PLAN - Continued

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report was dated April, 2023.

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 most recent 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	25%	5.15%
International equity	20	5.00
Global equity	12	5.15
Fixed income	18	2.75
Real estate	10	3.50
Private equity	10	6.25
Infrastructure	2	3.85
Private credit	2	4.90
Cash equivalents	<u>1</u>	0.50
	<u>100%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current employee contribution rate (9%) and that employer contributions will be phased in to 19.90% over five fiscal years (17.90% for 2025, 18.40% for 2026, 18.90% for 2027, 19.40% for 2028, and 19.90% for 2029 and beyond). 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.

(Continued)

NOTE 9. PENSION PLAN - Continued

Sensitivity to Changes in the Discount Rate: The following presents the Bureau’s proportionate share of the net pension liability calculated using the discount rate, as well as what the Bureau’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Bureau’s proportionate share of the net pension liability	<u>\$5,473,393</u>	<u>\$4,222,823</u>	<u>\$3,199,326</u>

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 10. COMMITMENTS

At September 30, 2024, the Bureau has committed to provide funding to various organizations. A liability is not recorded for these commitments as the receiving organizations had not yet fulfilled their obligations necessary to receive these funds. Outstanding commitments as of September 30, 2024, were \$332,691.

NOTE 11. RISK MANAGEMENT

The Bureau is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Bureau carries commercial insurance for risks of loss, and settled claims resulting from these commercially-covered risks have not exceeded commercial coverage in the past three years. Claims expenditures and liabilities for uninsured risks are accounted for in accordance with authoritative guidance, and no provision for such liabilities was deemed necessary as of September 30, 2024.

(Continued)

Notes to Financial Statements – Continued

NOTE 12. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management of the Bureau through May 30, 2025, which is the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON CONVENTION AND VISITORS BUREAU
 BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
 Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Local sales tax	\$ 3,520,000	\$ 3,520,000	\$ 3,491,927	\$ (28,073)
Federal grant revenue	2,110,040	2,110,040	2,110,039	(1)
Partnership income	60,000	12,000	14,705	2,705
Event proceeds	-	10,500	29,400	18,900
Interest income	70,000	55,000	53,275	(1,725)
Merchandise revenue	10,000	10,000	9,598	(402)
Miscellaneous	15,000	7,500	9,014	1,514
Total revenues	<u>5,785,040</u>	<u>5,725,040</u>	<u>5,717,958</u>	<u>(7,082)</u>
EXPENDITURES:				
Current:				
Personnel services	1,866,000	1,894,900	1,820,898	(74,002)
General operations	400,000	409,500	211,351	(198,149)
Promotional activities	3,614,040	3,578,440	3,004,898	(573,542)
Debt service	-	-	182,765	182,765
Capital outlay	5,000	42,200	47,496	5,296
Total expenditures	<u>5,885,040</u>	<u>5,925,040</u>	<u>5,267,408</u>	<u>(657,632)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(100,000)	(200,000)	450,550	650,550
FUND BALANCE AT BEGINNING OF YEAR	<u>100,000</u>	<u>4,354,824</u>	<u>4,354,824</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 4,154,824</u>	<u>\$ 4,805,374</u>	<u>\$ 650,550</u>
EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY FUND BALANCE AND GAAP FUND BALANCE				
Fund Balance at End of Year - Budgetary Basis			\$ 4,805,374	
Adjustment to GAAP basis:				
Revenue is recognized upon receipt for budgetary basis:				
Local sales tax receivable, net of deferred inflows of resources - unavailable tax revenue			287,201	
Unearned grant revenue			(3,221,434)	
Other receivables			10,061	
Accrued interest			44,440	
Expenditures are recognized if paid during the year or within 30 days after year-end for budgetary basis:				
Prepaid expenses			67,710	
Lease security deposit			9,735	
Accounts payable			<u>(750)</u>	
Fund Balance at End of Year - GAAP Basis			<u>\$ 2,002,337</u>	

JACKSON CONVENTION AND VISITORS BUREAU

SCHEDULE OF THE BUREAU'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF THE PUBLIC EMPLOYEES'
RETIREMENT SYSTEM OF MISSISSIPPI
Last Four Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Bureau's proportion of the net pension liability	0.016262%	0.015861%	0.016532%	0.002561%
Bureau's proportionate share of the net pension liability	\$ 4,222,823	\$ 3,989,251	\$ 3,402,887	\$ 378,527
Bureau's covered payroll for measurement years ended June 30th	\$ 1,392,344	\$ 1,202,918	\$ 1,159,930	\$ 172,155
Bureau's proportionate share of the net pension liability as a percentage of its covered payroll	303.29%	331.63%	293.37%	219.88%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%

NOTE: The Bureau began contributing to the plan in the year ended September 30, 2021, so only four years of plan data is applicable to the Bureau.

In 2023, the actuarial assumption for the investment rate of return was changed from 7.55% to 7.00%.

JACKSON CONVENTION AND VISITORS BUREAU

SCHEDULE OF THE BUREAU'S CONTRIBUTIONS
TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
RETIREMENT SYSTEM OF MISSISSIPPI
Last Four Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Required contributions	\$ 244,008	\$ 209,308	\$ 201,828	\$ 75,204
Actual contributions	<u>(244,008)</u>	<u>(209,308)</u>	<u>(201,828)</u>	<u>(75,204)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Bureau's covered payroll for fiscal year ended September 30th	 <u>\$ 1,392,344</u>	 <u>\$ 1,202,918</u>	 <u>\$ 1,159,930</u>	 <u>\$ 432,205</u>
 Contribution as a percentage of covered payroll	 17.53%	 17.40%	 17.40%	 17.40%

NOTE: The Bureau began contributing to the plan in the year ended September 30, 2021, so only four years of plan data is applicable to the Bureau.

OTHER SUPPLEMENTARY INFORMATION

JACKSON CONVENTION AND VISITORS BUREAU
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024

Federal Grantor/ Program Title/ Pass Through Grantor	Federal Assistance Listing Number	Pass- Through Grant Number	Program or Award Amount	Accrued (Deferred) Revenue at October 1, 2023	Receipts	Accrued (Deferred) Revenue at September 30, 2024	Expenditures
U.S. Department of the Treasury:							
COVID-19 Coronavirus State and Local Fiscal Recovery Funds							
Passed through Mississippi Department of Finance and Administration	21.027	ARPA-1019	\$ 2,915,519	\$ (2,876,706)	-	\$ (1,111,395)	\$ 1,765,311
	21.027	ARPA-1219	2,110,039	-	2,110,039	(2,110,039)	-
Total U.S. Department of the Treasury				<u>(2,876,706)</u>	<u>2,110,039</u>	<u>(3,221,434)</u>	<u>1,765,311</u>
GRAND TOTALS - ALL PROGRAMS				<u>\$ (2,876,706)</u>	<u>\$ 2,110,039</u>	<u>\$ (3,221,434)</u>	<u>\$ 1,765,311</u>

The accompanying notes are an integral part of this schedule.

JACKSON CONVENTION AND VISITORS BUREAU

Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

NOTE 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Jackson Convention and Visitors Bureau (the Bureau) under programs of the federal government. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Bureau, it is not intended to and does not present the net position or changes in net position of the Bureau.

NOTE 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. Indirect Cost Rate

The Bureau has not elected to use the 10% de minimis indirect cost rate under the Uniform Guidance.

JACKSON CONVENTION AND VISITORS BUREAU

SCHEDULES OF CASH AND INVESTMENTS
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH:		
Trustmark National Bank - Checking Account	\$ 1,446,948	\$ 325,664
Trustmark National Bank - Savings Account	1,573,412	2,072,561
Cadence - Checking Account	35,602	35,513
Square Payment Processing Account	-	3,796
Emburse Payment Processing Account	39,046	26,844
Petty cash	<u>1,420</u>	<u>1,420</u>
	<u>3,096,428</u>	<u>2,465,798</u>
CERTIFICATE OF DEPOSIT:		
Cadence Bank - 4.00%, dated March 15, 2024; matures on March 15, 2025.	2,095,531	-
Cadence Bank - 5.25%, dated September 14, 2023; matured on March 12, 2024.	<u>-</u>	<u>2,004,375</u>
	<u>\$ 5,191,959</u>	<u>\$ 4,470,173</u>

JACKSON CONVENTION AND VISITORS BUREAU

SCHEDULE OF SURETY BONDS
September 30, 2024

Name	Position	Bond Amount	Surety Company
Carol Burger	Board Chair	\$ 50,000	The Hartford
Monique Davis	Board Treasurer	50,000	FCCI Insurance Group
Pamela Junior	Board Secretary	50,000	The Hartford
Cherre Miller	Ex-Officio	50,000	The Hartford
Glenda Barner	Board Member	50,000	The Hartford
Susan Garrard	Board Member	50,000	The Hartford
Patrick House	Board Member	50,000	FCCI Insurance Group
Mende Malouf	Board Member	50,000	FCCI Insurance Group
John Miller	Board Member	50,000	The Hartford
Enrika Williams	Board Member	50,000	The Hartford
Rickey Thigpen	President/CEO	50,000	FCCI Insurance Group
Jennifer R. Chance	COO	50,000	CCI Surety
Amy Dillard	Administrative Manager	50,000	FCCI Insurance Group

INDEPENDENT AUDITORS' REPORTS ON
INTERNAL CONTROL, COMPLIANCE AND
OTHER MATTERS

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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
Jackson Convention and Visitors Bureau
Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Jackson Convention and Visitors Bureau (the Bureau), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated May 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) as a basis for designing 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 Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Bureau'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.

(Continued)

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free from 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 financial statement. 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 Bureau'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 Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tann, Brown & Russ Co.

May 30, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Jackson Convention and Visitors Bureau
Jackson, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Jackson Convention and Visitors Bureau's (the Bureau) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Bureau's major federal program for the year ended September 30, 2024. The Bureau's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bureau complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Bureau and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Bureau's compliance with the compliance requirements referred to above.

(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Bureau's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Bureau's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Bureau's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Bureau's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Bureau's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

(Continued)

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Tann, Brown & Russ Co.

May 30, 2025

JACKSON CONVENTION AND VISITORS BUREAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2024

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the Bureau were prepared in accordance with GAAP.
2. No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements are reported.
4. No material weaknesses or significant deficiencies in internal control over the major federal award program are reported.
5. The auditors' report on compliance for the major federal award program expresses an unmodified opinion on the major federal program.
6. No audit findings were required to be reported in accordance with 2 CFR Section 200.516(a).
7. The program tested as a major program was:

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Bureau did not qualify as a low-risk auditee.

JACKSON CONVENTION AND VISITORS BUREAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2024

FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None reported.

JACKSON CONVENTION AND VISITORS BUREAU
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2024

No audit findings were reported for the year ended September 30, 2023.