

**Fayetteville Advertising and
Promotion Commission**

March 27th, 2023

Location: Fayetteville Town Center, 15 W. Mountain Street

Commissioners: Todd Martin, Chair, Tourism & Hospitality Representative
Katherine Kinney, Tourism & Hospitality Representative
Chrissy Sanderson, Tourism & Hospitality Representative
Elvis Moya, Tourism & Hospitality Representative
Andrew Prysby, Commissioner at-large
Sarah Bunch, City Council Representative
Sonia Harvey, City Council Representative

Staff: Molly Rawn, CEO

Agenda

- I. Call to order at 2:00 p.m.
- II. Old Business
 - A. Review and approval of February 27th minutes.
- III. New Business
 - A. CEO Report. An executive overview of the previous month
 - B. Financial Report. Jennifer Walker, Vice President of Finance
 - C. Marketing Report. Sarah King, VP of Marketing and Communications
 - D. Vote. Commissioner Appointment. *One of the four tourism industry commissioner positions is up for appointment and one eligible application was received. Staff recommends the commission submit Commissioner Kinney's name for the position. Memo attached.*
 - E. Vote. 2022 Financial Audit Engagement with BKD, LLP. *Staff is seeking authority to execute an engagement letter with BKD, LLP for 2022 audit services estimated at \$25,000. Engagement letter and memo attached.*
 - F. Vote. Smithsonian Folk Life Festival Sponsorship. *Staff is seeking authority to commit \$20,000 to serve as a sponsor in this year's Smithsonian Folk Life Festival which features the Ozarks. Memo and sponsorship information attached.*
 - G. Vote. Production services for First Thursday Festival. *Staff is seeking authority to sign an agreement with FORGE Production for the production services of the First Thursday Festival. The cost of the agreement is \$31,200. Memo and agreement attached.*
 - H. Additions to the agenda may be added upon request from a majority of the commissioners.
- IV. Adjourn

Fayetteville Advertising and Promotion Commission
Minutes February 27, 2022
Fayetteville Town Center

Commissioners Present: Chair Todd Martin, Tourism & Hospitality Representative
Andrew Prysby, Commissioner at-large
Sarah Bunch, City Council Representative
Sonia Harvey, City Council Representative
Katherine Kinney, Tourism & Hospitality Representative

Commissioners Absent: Elvis Moya, Tourism & Hospitality Representative
Chrissy Sanderson, Tourism & Hospitality Representative

Staff: Molly Rawn, CEO; Jennifer Walker, VP of Finance

I. Chair Martin called the meeting to order at 2:00 pm.

II. Old Business

- A. Chair Martin asked commissioners to review the November minutes and asked if there were any additions or revisions. Commissioner Harvey made a motion to approve the minutes which was seconded by Commissioner Kinney. Minutes were approved unanimously.

III. New Business

A. CEO Report.

Rawn began with an update on the commission's upcoming open seat. Commissioner Kinney has reapplied and because we did not have a large number of candidates who are eligible, we have asked for an extension on the deadline.

The EF sales team are at Governor's Conference on Tourism in El Dorado and will facilitate a state wide sales meeting on Wednesday. Rawn pointed out Tina Archer-Cope being selected as one of 6 emerging tourism stars, Cope will be recognized at an e-tourism summit in Las Vegas. Julie Pennington has secured group tours for Walton Arts Center's Broadway series. Rawn stated that they've utilized almost all of their groups and meetings budget for 2023.

In Community Engagement, Chloe Bell plans to have First Thursday vendor applications online in the coming days.

The town center had 9 events since the commission met on February 6th and Rawn stated that the Black Expo was well attended this last weekend. She also stated that the FTC lease renewal is on the agenda for today.

In talking about HMR data, Rawn stated that for the March meeting she would plan to ask Kinney to talk through RevPar (revenue generated per available room) and that it would be added to the HRM data points.

Rawn ended by stating we did not meet our budget projections for January but we are below our expenditures.

B. Financial Report. Jennifer Walker, VP of Finance

Walker stated that January financials are in the commission agenda packets. At the end of January, our revenue and expense target are 8% and we are at 7% for revenue and 5% for expenditures. HRM tax collections came in \$381,681 for January collections. Our net operating Income is \$57,000 to date. Our Cash and Investments are at 4.7 million dollars and the town center is at \$105,000 for unearned revenue for the year. With no questions, Walker concluded her report.

C. Marketing Report. Molly Rawn, CEO

Rawn shared our partnership with Razorback Athletics Website and stated that it was our number one referral source to our website. We will continue to get and analyze data from this partnership.

Rawn reviewed some material related to Fayetteville Restaurant Week and stated we would have a full report at the March meeting. Restaurant Week kicked off with a mayoral proclamation at the original Slim Chickens as they were celebrating their 20th year anniversary. Rawn said we'd be doing a survey to get feedback from restaurants, and she also asked commissioners to give any feedback while it was on their mind. She also shared the various purchased media that accompanied this event and showed the ads produced for this campaign.

Rawn also listed the various events where Vanny has been and stated that Vanny may be taking a break for a few weeks after returning from Governor's Conference.

Chair Martin asked if there was an update on a re-fresh of the Vanny wrap with the goal of aligning it a little more with the red color of the Razorbacks so that it will fit in when attending Razorback events. Rawn said that yes, we are looking at a re-fresh for this purpose.

D. Vote. Sells Agency Contract Extension. The contract with Sells Agency, FA&P's advertising agency of record, has lapsed. The CEO is seeking authority to extend the contract the original contract for a term of one year beginning January 1, 2023 and concluding December 31, 2023.

Rawn said that with the change in marketing leadership last fall, we wanted to allow the new VP of Marketing and Communications to be involved in the creation of an RFP for a new contract with an agency of record. There was no questions and Commissioner Kinney made a motion to extend the CEO the authority to extend the contract for one year and it was seconded by Commissioner Bunch. It was approved unanimously via a roll call vote.

E. Vote. Fayetteville Town Center lease. The existing FTC lease has expired and both

parties have reached agreement on a new lease. Proposed lease and memo attached.

CEO Rawn opened up by thanking Taylor Kinney with Quattlebaum, Grooms & Tull PLLC for drafting this lease. We had three goals with the renewal:

- Clarifying the lease terms
- Combining the lease for the parking deck and event center into one lease
- Shift responsibility for replacement and upgrading of major systems such as HVAC etc to the city while regular maintenance items would be the responsibility of Fayetteville A&P.

In working on this project, Rawn noted that there was a lot clarification concerning the term “replacement” and noted that the spirit of the lease is in the right place and it is her recommendation that we sign the lease. Commissioner Bunch made a motion to authorize Rawn to sign the lease as presented to the commission and Commissioner Kinney seconded it.

Chair Martin asked if there was any discussion. Taylor Kinney said it was a 10 year renewal. Rawn mentioned that we added the ability to call a meeting if we or the city determine something wasn’t addressed in the lease. With no other discussion, Chair Martin called for a vote and it was approved unanimously.

D. Vote. Folk School of Fayetteville lease.

Approval of lease with Folk School Fayetteville for Walker Stone House. Proposed lease and memo attached.

Rawn reviewed the lease and began with something that is different than what was discussed at the last meeting. She stated that she had assumed that the Folk School would assume utilities and put them in their name. While this will be the case, the A&P will offer a reimbursement of up to \$8,000 in total for the year for all the utilities. This reimbursement option is only offered for the first year.

Rawn pointed out the noise ordinance language and said it was explicitly put into the lease to acknowledge the tenants will have a neighbor who operates a funeral home. Parking was also discussed with the expectation the tenant’s guests would not park in neighbors parking but would utilize public parking lots.

Additionally, it was noted that the tenants requested that they could have first right of refusal if someone requested to purchase the property. The commissioners agreed it was a kind thing to include in a lease or in a separate letter of agreement. Chair Martin asked if we could include the wording of first right of refusal in an amendment if we wanted to approve the lease. Rawn requested if the commissioners were comfortable agreeing on a certain duration of time to give the tenants for first right of refusal. The duration of 10 days was discussed. It was also noted that while the commission doesn’t plan to pursue a buyer while we have this lease in place, that the commission would need to plan on being a good steward of resources if a buyer materialized. It was also discussed that while the lease doesn’t clarify a schedule for pest control, we recognized that we would provide regular pest control with spraying.

Chair Martin requested a motion to authorize Rawn to offer the lease and Commissioner Harvey made a motion with Commissioner Prysby seconding it and Chair Martin reiterated the motion as such: The A&P commission approves the CEO to extend the lease to Folk School of Fayetteville as proposed and have the authority to extend first right of refusal to Folk School of Fayetteville if the commission decides

to sell it for a period of 10 business days after we receive an offer. The motion was unanimously approved.

E. Adjourn

Chair Martin requested a motion to adjourn with Commissioner Kinney making the motion and Commissioner Prysby seconding it. The motion passed unanimously, and the meeting was adjourned at 2:53 p.m.

Minutes submitted by Amy Stockton, Director of Operations, Experience Fayetteville

Executive Summary

- The team attended the Governor's Conference on Tourism in El Dorado where Experience Fayetteville was the recipient of two Henry Awards including
 - Tourism Organization of the Year
 - Natural State Tourism Development Award for ArtCourt, "An innovative project with unique appeal or creative approach that increases pride and placemaking."
- Folk School Fayetteville signed the lease on the Walker Stone House, as approved by the commission
- We have engaged the services of Flintlock Lab to deliver architectural design services to include updates to the Experience Fayetteville restrooms and also to reconfigure work spaces for our growing team at Experience Fayetteville.
- **Fayetteville Restaurant Week** was a success with 57 restaurants participating
- In February, EF produced a gravel cycling specific photoshoot highlighting gravel riding accessible from Fayetteville, part of larger marketing strategy around gravel cycling and route development
 - Included lifestyle shots featuring Penguin Ed's and Crisis Brewing Company in Fayetteville.
 - Selection of photos used to support a "Destination Feature" being published by Ride With GPS this spring.
- The Art Installation by Bordallo II has been successfully relocated from Walker Stone House to its new residence at Mount Sequoyah. Eugene Sargeant spearheaded the move and is presently strengthening the structure to ensure its stability for the coming years.

Visitor Center

- We welcomed 630 visitors in February 2023 a 79% increase from same period in 2022. Nearly half of our visitors are Saturday visitors
- VC had \$2,819 in sales in February 2023, a 54% decrease from February 2022. This reflects our shift to make the VC more experience based, with less retail. Additionally, last year's sales were bolstered by cyclocross merchandise.
- We welcomed visitors from: Peru, Brazil, England, Albania, Germany, France and Ireland
- Ale Trail Passport Completions in February: 15

Finance

- In February, the Finance department changed credit card providers and implemented the Divvy Card Management system. The implementation is complete and first month reconciliations were successful.
- We are watching and evaluating HMR tax receipts. February collections did not meet budget expectations, but provided a significant gain from the previous month. YTD collections are 6% below seasonally adjusted budget expectations.

Fayetteville Town Center

- Since our last meeting, Fayetteville Town Center has successfully hosted ten events
- The booking pace has significantly increased, with all Saturdays in April booked and only eight days remaining open for the month.
- Our alcohol sales have seen a noteworthy rise in the first quarter of this year.. This surge is a result of our strategic adjustment of the business mix and careful booking management.
 - In Q1 of 2023 we have recorded a remarkable \$27,456 compared with \$1,194 in alcohol sales during the same period last year.
- We have initiated the project of resealing the windows in the ballroom
- Our team participated in the University of Arkansas hospitality department's career fair to enhance our relationship with the university hospitality department and grow our base of event coordinators

Downtown Initiatives

- Kelly is in Boston this week speaking at the *Main Street Now* conference on bike programming and its economic impact on communities.
- Downtown Fayetteville Coalition has been gathering input from local stakeholders on their vision of downtown through roundtable meetings and an online survey.
- DFC has brought in a variety of new voices to join their monthly board meetings. Representatives from Dickson St, Block Ave, and the Square are now a part of the interim board of directors.
- The next meeting is set for April 3rd at 2pm at Trailside Yoga.

Looking Ahead

- We anticipate introducing a new Digital Marketing Coordinator next month. This person will advance our goals of growing owned media engagement, especially email marketing and social media

- 2023 is the 10th Anniversary of the Fayetteville Ale Trail, you can expect to see the celebration of the Ale Trail increase as the year goes on, including a new Ale Trail initiative
- Tina & Brannon on working closely with the Expedition Ozarks organizers to kick off the **Ozark Adventure race on April 1st on the downtown square with a flag ceremony between 4:30-6:30PM**. This race has a large international contingency with representation from 11 countries and will leave from downtown on Monday, April 3rd.
- The states longest running gravel cycling event – the Hazel Valley Rally - is scheduled to return to the Fayetteville area April 1st, 2023.
 - Projected to bring in 600+ participants
 - Current registration data shows participants from 17 states including Vermont, Florida, Colorado, and New York.
- The US Pro Cup presented by Walmart returns to Centennial Park April 12-16th
 - Event promoters are projecting 1,000 racers in 2023
 - The event is free and open to the public with an industry heavy expo, autograph sessions, food trucks, amateur category races, and more.

February Collection
(January Activity)

\$42,992 + \$295,875

Lodging

Restaurant

\$17,975

Prior Dues Collected

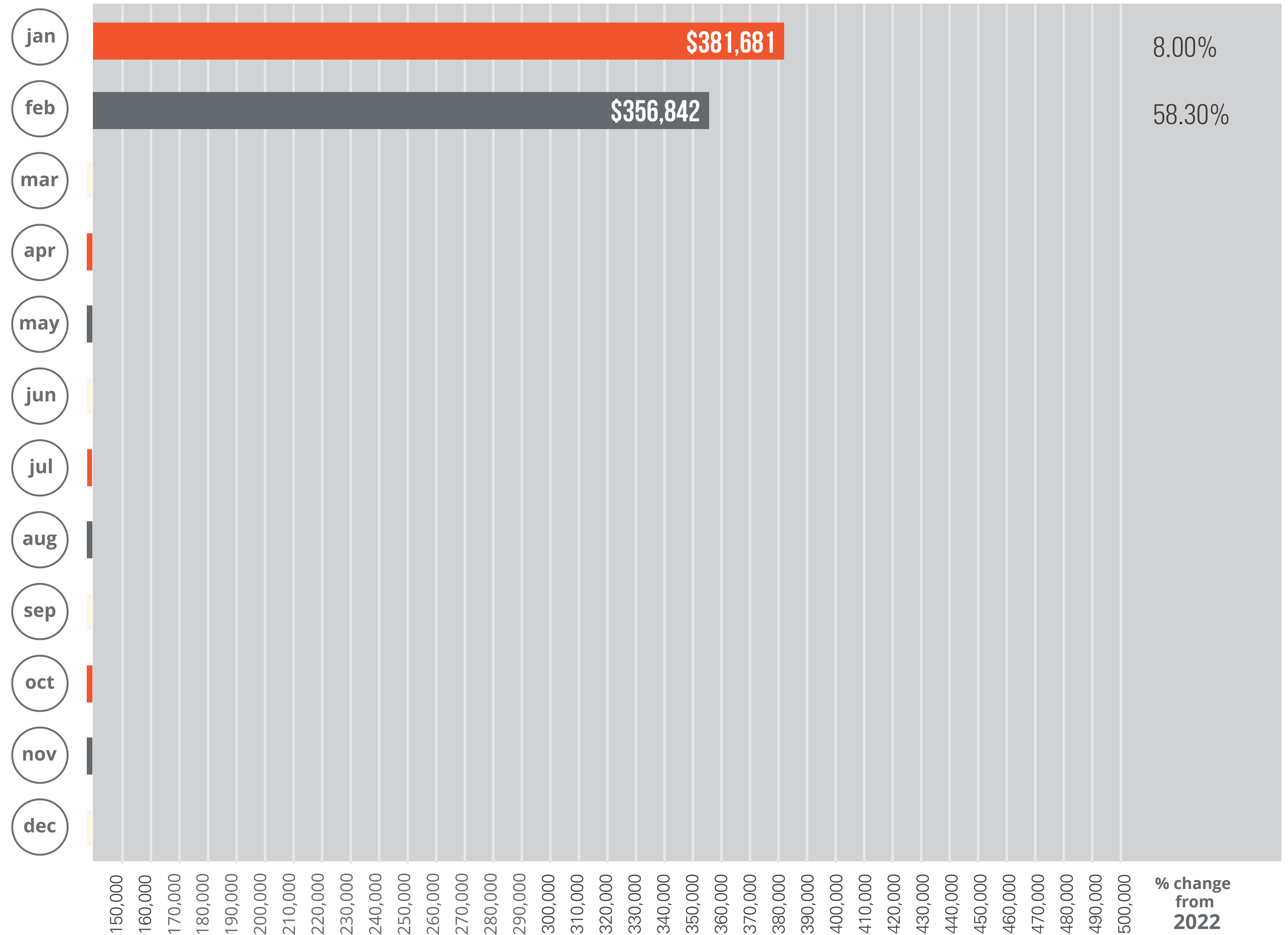
\$356,842

Total HMR Collected

Previous YTD (Feb) HMR A&P Tax Collection Totals

2019	2020	2021	2022	2023
\$547,443	\$570,403	\$ 489,431	\$578,827	\$738,523
0.75%	4.19%	-14.20%	18.27%	27.59%
% change over previous year				

Monthly A&P Tax Collections 2023**



** This represents one half of the total HMR collections. The other half supports the Parks and Recreation department.

Memo



To: Molly Rawn, CEO, Experience Fayetteville
Fayetteville Advertising & Promotion Commissioners

From: Jennifer Walker, VP Finance, Experience Fayetteville

Date: March 15, 2023

Re: Financial Statements – February 2022

This packet contains Experience Fayetteville Financial Statements for the month ended February 28, 2023. The following reports are included in the packet:

- Summary P&L Financials for month ended February 28, 2023
- Balance Sheet for month ended February 28, 2023

Target Budget February – 17%

Revenue target 17% of budget or higher by the end of February 2023.

Expenditures target 17% or lower at February 2023.

Total Revenue YTD: \$786,382 or 14%; We are 3% below target.

Tax Receipts - \$738,524 (under budget by 2% ytd)

Town Center - \$ 40,669 (under budget by 9% ytd)

Other - \$7,189

Total Operating Expenditure YTD: \$672,397 or 12%; this is 5% under budget.

EF Main - \$544,052

Town Center - \$128,346

HMR tax – YTD February Collections (January activity) are below seasonally adjusted budget expectations by 6%.

Operating Net Income is \$113,984 year to date.

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ February 28, 2023

	CONSOLIDATED			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
Revenue				
Hotel, Motel, Restaurant Taxes Revenue	738,524	4,960,000	(4,221,476)	14.9%
Rental Revenue	35,718	485,500	(449,782)	7.4%
Event Revenue	4,932	51,472	(46,540)	9.6%
Visitor Center Store Revenue	3,005	53,700	(50,695)	5.6%
Parking Revenue	-	26,000	(26,000)	0.0%
Advertising Revenue	-	3,500	(3,500)	0.0%
Grant/Other Revenue	-	83,000	(83,000)	0.0%
Interest and Investment Revenue	4,202	7,550	(3,348)	55.7%
Total Revenue	786,382	5,670,722	(4,884,340)	13.9%
Expenses				
Operating Expenses				
Rental Expenses	8,763	208,000	(199,237)	4.2%
Event Expenses	5,865	135,250	(129,385)	4.3%
Visitor Center & Museum Store	2,718	41,200	(38,482)	6.6%
Personnel	259,377	1,933,886	(1,674,509)	13.4%
Sales & Marketing	168,742	1,363,565	(1,194,823)	12.4%
Office and Administrative	104,117	785,821	(681,704)	13.2%
Bond Payments	116,300	700,000	(583,700)	16.6%
Contribution to Capital Reserves	-	100,000	(100,000)	0.0%
Other grants	6,515	203,000	(196,485)	3.2%
Total Operating Expenses	672,397	5,470,722	(4,798,325)	12.3%
Net Operating Income/(Loss)	113,984	200,000	(86,016)	0.0%
Other Income				
Unrealized Gain/(Loss) on Investments	(77,885)			0.0%
Other Expenses				
FFE & Improvements	23,942	638,000	(614,058)	3.8%
Depreciation Expense	31,702			0.0%
Cost of Goods Sold	1,490			0.0%
Net Income/(Loss) (without CX Grants)	(21,035)	(438,000)	494,850	4.8%

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ February 28, 2023

	Experience Fayetteville			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
Revenue				
Hotel, Motel, Restaurant Taxes Revenue	738,524	4,960,000	(4,221,476)	14.9%
Rental and Event Revenue	-	43,972	(43,972)	0.0%
Visitor Center Store Revenue	3,005	53,700	(50,695)	5.6%
Advertising Revenue	-	3,500	(3,500)	0.0%
Grant & Other Revenue	-	83,000	(83,000)	0.0%
Interest and Investment Revenue	4,183	7,500	(3,317)	55.8%
Total Revenue	745,712	5,151,672	(4,405,960)	14.5%
Expenses				
Operating Expenses				
Event Expenses	891	105,250	(104,359)	0.8%
Visitor Center & Museum Store	2,718	41,200	(38,482)	6.6%
Personnel	192,341	1,420,296	(1,227,955)	13.5%
Sales & Marketing	167,601	1,273,044	(1,105,443)	13.2%
Office and Administrative	57,686	457,862	(400,176)	12.6%
Bond Payments	116,300	700,000	(583,700)	16.6%
Contribution to Capital Reserve	-	100,000	(100,000)	0.0%
Other Grants	6,515	203,000	(196,485)	3.2%
Total Operating Expenses	544,052	4,300,652	(3,756,600)	12.7%
Net Income/(Loss) Before Other Revenue and Expenses	201,661	851,020	(649,359)	23.7%
Other Income				
Unrealized Gain/(Loss) on Investments	(77,885)	-	(77,885)	0.0%
Other Expenses				
FFE & Improvements	3,000	262,000	(259,000)	1.1%
Depreciation Expense	17,073			
Cost of Goods Sold	1,490			
Net Income/(Loss)	102,212	589,020	(408,922)	17.4%

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ February 28, 2023

	Town Center			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
Revenue				
Rental Revenue	35,718	485,500	(449,782)	7.4%
Event Revenue	4,932	7,500	(2,568)	65.8%
Parking Revenue	-	26,000	(26,000)	0.0%
Interest and Investment Revenue	19	50	(31)	37.9%
Total Revenue	40,669	519,050	(478,381)	7.8%
Expenses				
Operating Expenses				
Rental Expenses	8,763	208,000	(199,237)	4.2%
Event Expenses	4,974	30,000	(25,026)	16.6%
Personnel	67,037	513,590	(446,553)	13.1%
Sales & Marketing	1,141	90,521	(89,380)	1.3%
Office and Administrative	46,431	327,959	(281,528)	14.2%
Total Operating Expenses	128,346	1,170,070	(1,041,724)	11.0%
Net Income/(Loss) Before Other Revenue and Expenses	(87,677)	(651,020)	563,343	13.5%
Other Expenses				
FFE & Improvements	20,942	376,000	(355,058)	94.4%
Depreciation Expense	14,629			
Net Income/(Loss)	(123,248)	(1,027,020)	903,772	12.0%

Fayetteville A&P Commission

Balance Sheet

As of February 28, 2023

ASSETS

Current Assets

Cash		3,505,888
Investments		1,150,327
Accounts Receivable		371,315
Prepaid Expenses		34,771
Deposits		28,617
Inventory Asset		26,369

Total Current Assets 5,117,286

Other Assets

Capital Assets

Furniture & Fixtures	121,169
Equipment	723,463
EF/CVB Building	940,410
EF/CVB Land	198,621
Building Additions	1,142,641
Walker-Stone House	1,167,218
Vehicles	122,860
Construction in Progress	69,064
Accumulated Depreciation	<u>(1,558,070)</u>

Total Other Assets 2,927,374

TOTAL ASSETS 8,044,660

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	60,179
Unearned Revenue	<u>139,408</u>

Total Liabilities 199,587

Equity

Unreserved Fund Balance	5,396,099
Operating Reserve	1,000,000
Capital Reserve	1,100,000
Temporarily Restricted Funds	382,431
Net Revenue	
Gain/(Loss) on Investments	77,885
Net Revenue without Cyclocross	(96,988)
Net Revenue for Cyclocross	<u>(14,354)</u>

Total Equity 7,845,073

TOTAL LIABILITIES AND EQUITY 8,044,660

Memo

To: Fayetteville Advertising and Promotion Commissioners

From: Amy Stockton, Director of Operations, Fayetteville Advertising and Promotion Commission

Date: March 16, 2023

Re: Appointment of Tourism Industry Commission Position

Background:

We received three applications for the commission position currently occupied by Commissioner Katherine Kinney, including Commissioner Kinney's re-application.

The other two candidates did not meet the requirement per Arkansas Code 26-75-605, of being owners or managers of hotels, motels or restaurants. Commissioner Kinney is eligible to re-apply and we appreciate her knowledge and service given to the A&P Commission.

Recommendation:

Staff recommends that the A&P Commission submit Commissioner Kinney's name to the Fayetteville City Council to fill the open tourism industry position.

Memo



To: Molly Rawn, CEO, Fayetteville Advertising & Promotion Commission
Fayetteville Advertising & Promotion Commissioners

From: Jennifer Walker, VP Finance, Fayetteville Advertising and Promotion
Commission

Date: March 15, 2023

Re: 2022 Financial Audit Engagement Letter with BKD

Background:

Fayetteville Advertising and Promotion Commission contracted with BKD, LLP to perform audit services for the years ending 2018 - 2021.

The fee for auditing the 2022 financials is estimated to be \$25,000. The 2023 operating budget allocates \$25,000 for audit and accounting services.

The 2022 engagement letter is attached for reference.

Staff Recommendation: A vote to authorize CEO Molly Rawn to execute an engagement letter with BKD, LLP for 2022 audit services estimated at \$25,000.

FORVIS

809 S. 52nd Street, Suite A / Rogers, AR 72758

P 479.845.0270 / F 479.845.0840

forvis.com

March 1, 2023

Board of Commissioners
Ms. Molly Rawn, CEO
FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION
21 South Block Avenue, Suite 100
Fayetteville, AR 72701

We appreciate your selection of **FORVIS, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**.

In addition to the terms set forth in this contract, including the detailed **Scope of Services**, our engagement is governed by the following, incorporated fully by this reference:

- Terms and Conditions Addendum

Summary Scope of Services

As described in the attached **Scope of Services**, our services will include the following:

FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION

- Audit Services for the year ended December 31, 2022

You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. All decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions.

We understand you have designated a management-level individual(s) to be responsible and accountable for overseeing the performance of nonattest services, and you have determined this individual is qualified to conduct such oversight.

Engagement Fees

The base fee for our services will be \$25,000 for the audit services. Included in this fee are travel costs and fees for services from other professionals, if any, as well as an administrative fee of five (5) percent to cover items such as copier, postage and other delivery charges, supplies, technology-related costs such as software licensing, user access, and research tools, and similar expense items. The additional fee for implementing GASB 87, if applicable, is expected to be \$3,000 based on time expended.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt.

Our timely completion of services and the fees thereon depends on the assistance you provide us in accumulating information and responding to our inquiries. Inaccuracies or delays in providing this information or the responses may result in additional billings, untimely filings, or inability to meet other deadlines.

Assistance with New Standards

Assistance and additional time as a result of the adoption of the following new standards are not included within our standard engagement fees. These fees will be based on time expended and will vary based on the level of assistance and procedures required.

Governmental Accounting Standards Board Statement No. 87, *Leases*, is effective for fiscal years beginning after June 15, 2021. Early application is encouraged.

Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. We can assist you with the adoption by providing services which may include, but are not limited to:

- Assessing your readiness by assisting with the evaluation of your:
 - Current controls and policies
 - Current internal resources and system capabilities
- Assisting with changes required to adopt Statement No. 87, including:
 - Recommending enhancements to existing controls and policies or suggesting new controls and policies to address Statement No. 87
 - Documenting any changes from your previous lease recognition and reporting methods
 - Drafting the required disclosures

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statement, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by us.

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for fiscal years beginning after June 15, 2022. Early application is encouraged.

Statement No. 96 addresses the accounting for the costs related to cloud computing agreements. Under this Statement, a government reports a subscription asset and subscription liability for agreements meeting the definition of a subscription-based information technology arrangement (SBITA) and to disclose essential information about the arrangement. We can assist you with the adoption by providing services which may include, but are not limited to:

- Assessing your readiness by assisting with the evaluation of your:
 - Current controls and policies
 - Current internal resources and system capabilities
- Assisting with changes required to adopt Statement No. 96, including:
 - Recommending enhancements to existing controls and policies or suggesting new controls and policies to address Statement No. 96

- Documenting any changes from your previous IT subscription recognition and reporting methods
- Drafting the required disclosures

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statement, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by us.

Additional Costs Related to COVID-19

Our fees do not consider additional efforts driven by the SARS-CoV-2 virus and the related COVID-19 (COVID-19) environment. Complexities and uncertainties related to various provisions of new laws and the continued issuance of interpretative and procedural guidance from federal agencies may affect our services. Fees related to COVID-19 activities will be billed based on time expended. Additional efforts or services may include:

- Accounting and auditing issues such as going concern, collectability of receivables, inventory valuation, federal awards subject to single audit, etc.

Contract Agreement

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

FORVIS, LLP

FORVIS,LLP

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services** and **Terms and Conditions Addendum**, on behalf of FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION.

BY _____
Molly Rawn, CEO

DATE _____

Scope of Services – Audit Services

We will audit the financial statements and related disclosures, which collectively comprise the basic financial statements for the following entity:

FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION as of and for the year ended December 31, 2022

The audit has the following broad objectives:

- Obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- Expressing an opinion on the financial statements
- Issuing a report on your internal control over financial reporting and compliance and other matters based on the audit of your financial statements in accordance with *Government Auditing Standards*

We will also provide you with the following nonattest services:

- Preparing a draft of the financial statements and related notes

You agree to assume all management responsibilities and to oversee the nonattest services we will provide by designating an individual possessing suitable skill, knowledge, and/or experience. You acknowledge that nonattest services are not covered under *Government Auditing Standards*. You are responsible for:

- Making all management decisions and performing all management functions
- Evaluating the adequacy and results of the services performed
- Accepting responsibility for the results of such services
- Designing, implementing, and maintaining internal controls, including monitoring ongoing activities

Cynthia Burns, Director, is responsible for supervising the engagement and authorizing the signing of the report or reports.

We will issue a written report(s) upon completion of our audit(s), addressed to the following parties:

Entity Name FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION	Party Name Board of Commissioners Ms. Molly Rawn, CEO
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You are responsible to distribute our reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.

The following apply for the audit services described above:

Our Responsibilities We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Uniform Guidance. Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error

We will exercise professional judgment and maintain professional skepticism throughout the audit.

We will identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

We will 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We will also conclude, based on audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We will 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 entity's compliance with compliance requirements subject to audit and performing such other procedures as the auditor considers necessary in the circumstances.

We will obtain an understanding of the entity'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 entity'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 the auditor identified during the audit.

Limitations & Fraud

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement or material noncompliance with federal award programs when it exists. Misstatements, including omissions, can arise from fraud or error and 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The risk of not detecting a material misstatement or material noncompliance 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. Noncompliance with compliance requirements 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 entity's compliance with the requirements of the federal programs as a whole.

Our understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by you and FORVIS.

Opinion

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to our auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If we discover conditions that may prohibit us from issuing a standard report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

Your Responsibilities

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

- **Audit Support** – to provide us with:
 - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance, and component auditors) from whom we determine it necessary to obtain audit evidence
 - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
 - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
 - Information about any known or suspected fraud affecting the entity involving management, employees with significant role in internal control, and others where fraud could have a material effect on the financials
 - Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
 - Additional information that we may request for the purpose of the audit
- **Internal Control and Compliance** – for the:
 - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error

- Alignment of internal control to ensure that appropriate goals and objectives are met; that management and financial information is reliable and properly reported; and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved
 - Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts, or other agreements reported by the auditor
 - Establishment and maintenance of processes to track the status and address findings and recommendations of auditors
- **Accounting and Reporting** – for the:
 - Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
 - Adjustment of the financial statements to correct material misstatements and confirmation to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
 - Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
 - Inclusion of the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us
 - Distribution of audit reports to any necessary parties

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

Written Confirmations Required

As part of our audit process, we will request from management and, if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Peer Review Report

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract, upon request. If you would like a copy, please request from your engagement executive.

FORVIS, LLP Terms and Conditions Addendum

GENERAL

1. **Overview.** This addendum describes **FORVIS LLP's** standard terms and conditions ("Terms and Conditions") applicable to Our provision of services to the Client ("You"). The Terms and Conditions are a part of the contract between You and FORVIS, LLP. For the purposes of the Terms and Conditions, any reference to "Firm," "We," "Us," or "Our" is a reference to FORVIS, LLP ("FORVIS"), and any reference to "You" or "Your" is a reference to the party or parties that have engaged Us to provide services and the party or parties ultimately responsible for payment of Our fees and costs.

BILLING, PAYMENT, & TERMINATION

2. **Billing and Payment Terms.** We will bill You for Our professional fees and costs as outlined in Our contract. Unless otherwise provided in Our contract, payment is due upon receipt of Our billing statement. Interest will be charged on any unpaid balance after 30 days at the rate of 10 percent per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10 percent. All fees, charges, and other amounts payable to FORVIS hereunder do not include any sales, use, excise, value-added, or other applicable taxes, tariffs, or duties, payment of which shall be Your sole responsibility, and do not include any applicable taxes based on FORVIS' net income or taxes arising from the employment or independent contractor relationship between FORVIS and FORVIS' personnel.

We reserve the right to suspend or terminate Our work for this engagement or any other engagement for nonpayment of fees. If Our work is suspended or terminated, You agree that We will not be responsible for Your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against You resulting from Your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of Our services.

Our fees may increase if Our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. Our engagement fees do not include any time for post-engagement consultation with Your personnel or third parties, consent letters and related procedures for the use of Our reports in offering documents, inquiries from regulators, or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

3. **Billing Records.** If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, We agree to make available to the Secretary of Health and Human Services, or to the U.S. Comptroller General, or any of their duly authorized representatives, such of Our books, documents, and records that are necessary to certify the nature and extent of Our services, until the expiration of four (4) years after the furnishing of these services. This contract allows access to contracts of a similar nature between subcontractors and related organizations of the subcontractor, and to their books, documents, and records.

4. **Termination.** Either party may terminate these services in good faith at any time for any reason, including Your failure to comply with the terms of Our contract or as We determine professional standards require. Both parties must agree, in writing, to any future modifications or extensions. If services are terminated, You agree to pay FORVIS for time expended to date. In addition, You will be billed costs and fees for services from other professionals, if any, as well as an administrative fee of five (5) percent to cover certain technology and administrative costs associated with Our services. Unless terminated sooner in accordance with its terms, this engagement shall terminate upon the completion of FORVIS' services hereunder.

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to this engagement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The mediator will be selected by agreement of the parties. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.
6. **Indemnification.** Unless disallowed by law or applicable professional standards, You agree to hold FORVIS harmless from any and all claims which arise from knowing misrepresentations to FORVIS, or the intentional withholding or concealment of information from FORVIS by Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. You also agree to indemnify FORVIS for any claims made against FORVIS by third parties, which arise from any wrongful actions of Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. The provisions of this paragraph shall apply regardless of the nature of the claim.
7. **Statute of Limitations.** You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether FORVIS performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of this contract or the acts or omissions of FORVIS in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.
8. **Limitation of Liability.** You agree that FORVIS' liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the intentional or

willful misconduct of FORVIS or if enforcement of this provision is disallowed by applicable law or professional standards.

9. **Waiver of Certain Damages.** In no event shall FORVIS be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.
10. **Choice of Law.** You acknowledge and agree that any dispute arising out of or related to this contract shall be governed by the laws of the State of Texas, without regard to its conflict of laws principles.
11. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**
12. **Severability.** In the event that any term or provision of this agreement shall be held to be invalid, void, or unenforceable, then the remainder of this agreement shall not be affected, and each such term and provision of this agreement shall be valid and enforceable to the fullest extent permitted by law.
13. **Assignment.** You acknowledge and agree that the terms and conditions of this contract shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.
14. **Disclaimer of Legal or Investment Advice.** Our services do not constitute legal or investment advice.

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

15. **Maintenance of Records.** You agree to assume full responsibility for maintaining Your original data and records and that FORVIS has no responsibility to maintain this information. You agree You will not rely on FORVIS to provide hosting, electronic security, or backup services, e.g., business continuity or disaster recovery services, to You unless separately engaged to do so. You understand that Your access to data, records, and information from FORVIS' servers, i.e., FORVIS portals used to exchange information, can be terminated at any time and You will not rely on using this to host Your data and records.
16. **FORVIS Workpapers.** Our workpapers and documentation retained in any form of media for this engagement are the property of FORVIS. We can be compelled to provide information under legal process. In addition, We may be

requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless We are prohibited from doing so by law or regulation, FORVIS will inform You of any such legal process or request. You agree We have no legal responsibility to You in the event We determine We are obligated to provide such documents or information.

17. **Subpoenas or Other Legal Process.** In the event FORVIS is required to respond to any such subpoena, court order, or any government regulatory inquiry or other legal process relating to You or Your management for the production of documents and/or testimony relative to information We obtained or prepared incident to this or any other engagement in a matter in which FORVIS is not a party, You shall compensate FORVIS for all time We expend in connection with such response at normal and customary hourly rates and to reimburse Us for all out-of-pocket expenses incurred in regard to such response.
18. **Use of Deliverables and Drafts.** You agree You will not modify any deliverables or drafts prepared by Us for internal use or for distribution to third parties. You also understand that We may on occasion send You documents marked as draft and understand that those are for Your review purpose only, should not be distributed in any way, and should be destroyed as soon as possible.

Our report on any financial statements must be associated only with the financial statements that were the subject of Our engagement. You may make copies of Our report, but only if the entire financial statements (exactly as attached to Our report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Our report. You agree not to reproduce or associate Our report with any other financial statements, or portions thereof, that are not the subject of Our engagement.

19. **Proprietary Information.** You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the services We perform and were developed prior to Our association with You. Any new forms, software, documents, or intellectual property We develop during this engagement for Your use shall belong to Us, and You shall have the limited right to use them solely within Your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which We make available to You are confidential and proprietary to Us. Neither You, nor any of Your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than Your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

REGULATORY

20. **U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies.** Where We are providing services either for (a) an entity that is registered with the SEC, (b) an affiliate of such registrant, or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this contract that would be prohibited by or impair Our independence under applicable law or regulation shall not apply to the extent necessary only to avoid such prohibition or impairment.

21. **Offering Document.** You may wish to include Our report(s) on financial statements in an exempt offering document. You agree that any report, including any auditor's report, or reference to Our firm, will not be included in any such offering document without notifying Us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

Any exempt offering document issued by You with which We are not involved will clearly indicate that We are not involved by including a disclosure such as, "FORVIS, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document."

22. **FORVIS Not a Municipal Advisor.** FORVIS is not acting as Your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, FORVIS is not recommending any action to You and does not owe You a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such matters with internal or external advisors and experts You deem appropriate before acting on any such information or material provided by FORVIS.
23. **FORVIS Not a Fiduciary.** In providing Our attest services, We are required by law and our professional standards to maintain our independence from You. We take this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which You and the users of Our report require. As such, You should not place upon Us special confidence that in the performance of Our attest services We will act solely in Your interest. Therefore, You acknowledge and agree We are not in a fiduciary relationship with You and We have no fiduciary responsibilities to You in the performance of Our services described herein.

TECHNOLOGY

24. **Electronic Sites.** You agree to notify Us if You desire to place Our report(s), including any reports on Your financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that We have no responsibility to review information contained in electronic sites.
25. **Electronic Signatures and Counterparts.** This contract and other documents to be delivered pursuant to this contract may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this contract are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this contract or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a

facsimile delivered via the internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software, will have the same effect as physical delivery of the paper document bearing an original signature.

26. **Electronic Data Communication and Storage.** In the interest of facilitating Our services to You, We may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, We employ measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with Our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that We have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Us. You consent to Our use of these electronic devices and applications during this engagement.

OTHER MATTERS

27. **Cooperation.** You agree to cooperate with FORVIS in the performance of FORVIS' services to You, including the provision to FORVIS of reasonable facilities and timely access to Your data, information, and personnel. You shall be responsible for the performance of Your employees and agents.
28. **Third-Party Service Providers.** FORVIS may from time to time utilize third-party service providers, including but not limited to domestic software processors or legal counsel, or disclose confidential information about You to third-party service providers in serving Your account. FORVIS maintains, however, internal policies, procedures, and safeguards to protect the confidentiality and security of Your information. In addition, FORVIS will secure confidentiality agreements with all service providers to maintain the confidentiality of Your information. If We are unable to secure an appropriate confidentiality agreement, You will be asked to consent prior to FORVIS sharing Your confidential information with the third-party service provider.
29. **Independent Contractor.** When providing services to You, We will be functioning as an independent contractor; and in no event will We or any of Our employees be an officer of You, nor will Our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to You. Decisions regarding management of Your business remain the responsibility of Your personnel at all times. Neither You nor FORVIS shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
30. **Use of FORVIS Name.** Any time You intend to reference FORVIS' firm name in any manner in any published materials,

including on an electronic site, You agree to provide Us with draft materials for review and approval before publishing or posting such information.

31. **Praxity.** FORVIS is an independent accounting firm allowed to use the name "Praxity" in relation to its practice. FORVIS is not connected, however, by ownership with any other firm using the name "Praxity." FORVIS will be solely responsible for all work carried out on Your behalf. In deciding to engage FORVIS, You acknowledge that We have not represented to You that any other firm using the name "Praxity" will in any way be responsible for Our work.
32. **Entire Agreement.** The contract, including this Terms and Conditions Addendum and any other attachments or addenda, encompasses the entire agreement between You and FORVIS and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this contract must be made in writing and signed by both You and FORVIS.
33. **Force Majeure.** We shall not be held responsible for any failure to fulfill Our obligations if such failure was caused by circumstances beyond Our control, including, without limitation, fire or other casualty, act of God, act of terrorism, strike or labor dispute, war or other violence, explosion, flood or other natural catastrophe, epidemic or pandemic, or any law, order, or requirement of any governmental agency or authority affecting either party, including without limitation orders incident to any such epidemic or pandemic, lockdown orders, stay-at-home orders, and curfews.

Memo



To: Fayetteville Advertising & Promotion Commissioners
From: Molly Rawn, CEO, Experience Fayetteville
Date: March 16, 2023
Re: 2023 Smithsonian Folk Life Festival

Background:

The 2023 Smithsonian Folklife Festival will take place on the National Mall in Washington, D.C., June 28–July 4 and July 6–July 9. Since 1967, the festival has welcomed participants and visitors from across the United States and around the world.

This year's festival program is **The Ozarks: Faces and Facets of a Region**. The festival will highlight artisans, plant knowledge and foodways specialists, musicians, and dancers from throughout the Ozarks. This will include expected traditions such as quilting, old-time music, and square dance as well as components of the region's culture that have not been historically represented including Osage puppetry, regional hip-hop, and Marshallese boat making. The festival will also highlight the natural landscape of the region and its abundant outdoor recreation opportunities.

There are several components to the festival events including multiple stages on the National Mall, a curated marketplace and concessions by the region's artisans and food providers, and a series of larger evening concerts.

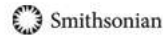
As the largest annual cultural event in the U.S. capital, the festival receives considerable publicity, typically reaching forty million readers and viewers through print and electronic media. In the past, the festival was named the Top Event in the U.S. by the American Bus Association as a result of a survey of regional tourist bureaus—thus joining previous winners that include the Olympics and the World Expo.

Local organizers are working in conjunction with curators from the Smithsonian to produce the festival. They have approached the Arkansas Department of Tourism as well as local DMO's like Experience Fayetteville with sponsorship opportunities. State tourism is expected to sponsor, but as of the drafting of this memo, that amount has not yet been announced.

The official sponsorship packet is attached.

Recommendation

The CEO recommends a commitment of \$20,000 to sponsor the Smithsonian Folk Life Festival in Washington, D.C.



2023 FESTIVAL SPONSORSHIP OPPORTUNITIES

(\$10,000) Benefits Include:

- Name recognition on CFCH's Festival webpage
- Name recognition in Festival Brochure
- Name recognition in CFCH and Smithsonian Institution Annual Reports
- Invitation to Festival Opening Reception and Concert

(\$25,000) Benefits Include:

- Name recognition on CFCH's Festival webpage
- Name recognition in Festival Brochure
- Name recognition in CFCH and Smithsonian Institution Annual Reports
- Invitation to Festival Opening Reception and Concert
- Name recognition (along with other \$25K Sponsors) on one sign onsite at Festival¹

(\$50,000) Benefits Include:

- Name recognition on CFCH's Festival webpage
- Name recognition in Festival Brochure
- Name recognition in CFCH and Smithsonian Institution Annual Reports
- Invitation to Festival Opening Reception and Concert
- Name PLUS LOGO (along with other \$50K Sponsors) on one sign onsite at Festival¹
- Short sponsor message on jumbotron with Name and LOGO - (3+ per day)¹

(\$100,000) Benefits Include:

- Name recognition on CFCH's Festival webpage
- Name recognition in Festival Brochure
- Name recognition in CFCH and Smithsonian Institution Annual Reports
- Invitation to Festival Opening Reception and Concert and sponsorship recognition
- Name and logo recognition on onsite Festival signage¹
- Sponsor recognition in moderator's remarks on selected stages
- Short sponsor message on jumbotron - 15 second video (6+ per day)¹

(\$250,000) Benefits Include:

- Name and LOGO recognition on CFCH's webpage¹
- Name and LOGO recognition in Festival Brochure¹
- Name recognition in CFCH and Smithsonian Institution Annual Report
- Name and logo recognition on onsite Festival signage¹
- VIP tickets and sponsorship recognition at Opening Reception

- Sponsor recognition in moderator's remarks on selected stages
- Opportunity for corporate volunteers to wear branded corporate t-shirts
- Short sponsor message on jumbotron - 15 second video (6+ per day) plus 1, 30 second video prior to evening concert¹
- Opportunity for 1 VIP Festival Tour for up to 4 guests

\$500,000 Benefits Include:

- Name and LOGO recognition on CFCH's webpage¹
- Name and LOGO recognition in Festival Brochure¹
- Name recognition in CFCH and Smithsonian Institution Annual Report
- Name and logo recognition on onsite Festival signage¹
- Sponsorship recognition at Opening Reception along tickets to VIP event
- Sponsor recognition in moderator's remarks on selected stages
- Opportunity to give away 1 branded giveaway^{1,3}
- Opportunity for corporate volunteers to wear branded corporate t-shirts
- Short sponsor message on jumbotron-15 seconds video (10+ per day) plus two 30 seconds video prior to evening concert¹
- Name Recognition in publicity for the Festival
- Opportunity for 2 VIP Festival Tours for up to 4 guests

\$1,000,000 Benefits Include:

- Name Recognition in publicity AND advertising for the Festival
- Name and LOGO recognition on CFCH's webpage, along with a paragraph describing CFCH/Sponsor partnership¹
- Name and LOGO, PLUS paragraph about CFCH/Sponsor partnership in Festival Brochure¹
- Highlighted in CFCH Annual Report; name recognition in Smithsonian Institution Annual Report
- Name and logo recognition on onsite Festival signage¹
- Sponsorship recognition at Opening Reception along tickets to VIP event and opportunity to give opening remarks
- Lead sponsor recognition in remarks made by stage moderators on ALL stages
- Opportunity to provide giveaways at sponsor table for brand activation ^{1,3}
- Opportunity for corporate volunteers to wear branded corporate t-shirts
- Opportunity for 2 VIP Festival Tours for up to 8 guests
- Opportunity for private tour of Center and other Smithsonian Museum with CFCH Director and/or other expert for Sponsor's VIP guests and clients within six months of the Festival close
- Recognition among Distinguished Benefactors where they are listed

\$1,500,000+ Benefits Include:

- Industry exclusivity at this level
- Name and logo recognition on onsite Festival signage¹
- Name and LOGO recognition on CFCH's webpage and descriptive paragraph about CFCH/Sponsor partnership¹
- Name and LOGO along with paragraph about CFCH/Sponsor partnership in Festival Brochure¹
- Highlighted in CFCH Annual Report and name recognition in Smithsonian Institution Annual Report
- Sponsorship recognition at Opening Reception along tickets to VIP event and opportunity to give opening remarks
- Lead sponsor recognition in remarks made by stage moderators on ALL stages

- Opportunity to provide giveaways at sponsor table for brand activation ^{1,3}
- Opportunity for corporate volunteers to wear branded corporate t-shirts
- Short sponsor message on jumbotron-15 seconds video (10+ per day) plus two 30 seconds video prior to evening concert¹
- Name Recognition in publicity AND advertising for the Festival
- Opportunity for VIP Festival Tours
- Opportunity for private tour of Center and other Smithsonian Museum with CFCH Director and/or other expert for Sponsor's VIP guests and clients within six months of the Festival close
- Recognition among Distinguished Benefactors where they are listed

1. *Donor is responsible for providing information at least two months in advance (by Friday, April 14, 2022): Logo files, fonts package, t-shirt design, broadcast quality film, etc. All messaging must be preapproved by the Smithsonian.*
2. *Sponsor must provide a minimum of 150 – 300 (depending on sponsorship level) printed shirts.*
3. *Sponsor brand giveaways and activations must be pre-approved by the Smithsonian and align with festival programming. Product placements are not permissible.*

Memo

To: Molly Rawn, CEO, Fayetteville Advertising and Promotion Commission;
Fayetteville Advertising and Promotion Commissioners

From: Tyler Wilson, General Manager, Fayetteville Town Center

Date: March 16, 2023

Re: Authorization to Sign Agreement with FORGE Production for First
Thursday Festival

Background:

FORGE Production has a proven track record of providing high-quality production services for large-scale events, and we believe that their involvement will improve the stage quality, safety, and lighting for the performances at the First Thursday Festival. These improvements will not only enhance the experience for attendees but also help attract and retain high-quality performers for future events.

Although three quotes were sought, FORGE was the only service that could consistently provide the mobile hydraulic stage and production services necessary throughout the entire season without supplementing their services.

Recommendation:

The Fayetteville Town Center General Manager and the CEO recommend that the CEO be authorized to sign an agreement with FORGE Production for the production services of the First Thursday Festival. The cost of the agreement is \$31,200.



5 W MONTGOMERY ST – FAYETTEVILLE, AR 72701

STAGE, SOUND, LIGHTING, VIDEO SERVICE CONTRACT

Agreement made this 27th Day of February 2023, by and between **FORGE PRODUCTIONS** (Production Company) (hereinafter referred to as the “Contractor”) and **Experience Fayetteville**, (hereinafter referred to as the “Buyer”) for the purpose of contracting production reinforcement between the undersigned parties.

- Contractor hereby agrees to provide all sound, lighting, and necessary production equipment specified in **Exhibit’s “A”**, attached hereto, and made part of this agreement. Contractor’s equipment listed in **Exhibits “A”** is in good working order and equal to the manufacturer's operating specifications.
- **SCHEDULE AND LOCATION OF EVENTS**
The **EVENT LOCATION** is:
Fayetteville Square
- The Contractor shall have the equipment provided for in **Exhibit “A” SET UP and READY TO BE OPERATED** at:
5:00 PM – May 4th, 2023
5:00 PM – June 1st, 2023
5:00 PM – July 6th, 2023
5:00 PM – August 3rd, 2023
5:00 PM – September 7th, 2023
5:00 PM – October 5th, 2023
- **LOAD-IN** may commence at:
1:00 PM – May 4th, 2023
1:00 PM – June 1st, 2023
1:00 PM – July 6th, 2023
1:00 PM – August 3rd, 2023
1:00 PM – September 7th, 2023
1:00 PM – October 5th, 2023
- **SHOWTIME** is:
TBD – May 4th, 2023
TBD – June 1st, 2023
TBD – July 6th, 2023
TBD – August 3rd, 2023
TBD – September 7th, 2023
TBD – October 5th, 2023
- The Contractor shall **OPERATE AND LEAVE EQUIPMENT SET UP UNTIL:**
End of show – after which the Contractor shall remove all equipment and personnel from the venue by:
11:59pm on each show day.

- Buyer shall pay to Contractor a total of **\$31,200** The BUYER must pay 50% deposit of **\$15,600** upon execution of this contract. The remaining **\$15,600** is to be paid in 6 installments of **\$2,600** due upon arrival to the venue to begin buildout prior to each scheduled show above. Please make CHECKS PAYABLE TO: *FORGE PRODUCTIONS*.
- Contractor will provide qualified personnel to operate all equipment provided for in this Agreement. No other personnel, including Buyer and/or his employees, shall operate the Contractor's equipment without the express consent of Contractor.
- Buyer shall provide adequate security to protect the Contractor's equipment and personnel during the term of this Agreement. Buyer will provide the following security personnel at the following times and places.
- Contractor shall have no obligation for furnishing or providing any other duties or equipment or utility cost other than what is stated in this contract.
- Buyer agrees that it shall apply for, obtain, and provide for the benefit of DCP, all insurance certificates, permits, licenses, electric and construction permits, etc... as required under applicable local and state law, at the premises upon which such concerts/events will be performed, at no cost to Contractor
- Buyer assumes all risk of loss for any or all damages to the production equipment and any other contracted equipment due to fire, theft, water damages and/or vandalism, or any other cause whatsoever; except in those instances when said damages be caused by the active neglect of Contractor. In the event of loss or damage to the equipment, Client at the option of Contractor, shall (a) place the same in good repair; or (b) pay Contractor in cash, the replacement value of equipment lost or damaged.
- Contractor shall at all times be considered under the terms of this Agreement, an independent contractor and shall not be responsible for any obligation of Buyer with respect to third parties whatsoever. Buyer and Contractor agree that they shall hold each other harmless and indemnify from and against any and all liabilities, claims, loss, expense including attorney's fees, of any kind, or nature, for property damage or damage or injury to any person or incurred at or during the concert(s)/event(s)
- Contractor shall not be liable in damages to Buyer for any acts of omission, or the consequences thereof, which shall result from any cause beyond the reasonable control of Contractor. Client is, in addition, liable for all terms and conditions contained within any and all riders hereafter attached to this agreement.
- Contractor and Buyer, each at their own expense (with insurance companies having a current A.M. Best & Company's rating of not less than "A" excellent), will carry commercial general liability insurance with a minimum limit of one million (\$1,000,000) and name each other as additionally insured throughout the Term of this Agreement. Proof of coverage will be provided upon request.

- There shall be no reduction of the above contract price in the event of cancellation or non-completion of the concert(s)/event(s)/rental(s) in whole or in part whether resulting from weather, failure of performers to appear or perform, sickness, accident, strike, riot, act of God, or any cause whatsoever.
 - ~~0 backstage security person(s) at the **equipment access door during load in.**~~
 - ~~0 security person(s) at the **main mixing console** fifteen (15) minutes before the public is admitted into the venue; to remain there until the public has left the venue.~~
 - ~~0 security person(s) at the **monitor mixing console** fifteen (15) minutes before the public is admitted; to remain there until the public has left the venue.~~
 - ~~0 security person(s) in the **stage area** from showtime until the performance is completed, including encores.~~
 - ~~0 security person(s) at the **equipment access door during load out.**~~
 - ~~**BUYER** will provide **0 STAGEHANDS** to assist in **LOAD-IN, SETUP, STRIKE,** and **LOAD-OUT.** **STAGEHANDS** must be able to lift **50 lbs.** And be in appropriate health to complete tasks associated with **LOAD-IN** and **LOAD-OUT.** Whenever possible, an official Stagehands Request should be sent by **FORGE PRODUCTIONS** Offices no later than 10 days prior to contracted event date. If an Official Request has not been sent, please contact **FORGE PRODUCTIONS** Offices.~~
 - **BUYER** will provide a beverage package starting from load-in and to be maintained until load-out. Beverage package must include cold bottled or boxed water. Other appropriate beverages might include Gatorade, Assorted Sodas, Juice, Tea and or Coffee.
 - ~~Buyer will provide food for **FORGE CREW** during appropriate meal times on active event days. Meals must consist of enough in quantity to feed **FORGE Crew** that are designated herein this Agreement. **FORGE CREW** remains on site from **LOAD-IN** to **LOAD-OUT.** Please keep our Staff in mind when planning meals.~~
 - Buyer shall issue all-access permits to performance and production areas to all designated employees of the Contractor in advance of Contractor's arrival at the venue. The personnel designated for such access are:
All applicable Forge Productions crew
- Buyer shall be notified in advance of Contractor's arrival at the venue if there are any changes in the list of Contractor's personnel required to complete the terms of this Agreement. Contractor will use only personnel directly connected to the production of the event under the terms of this Agreement.
- Buyer shall provide the electrical power and circuits necessary for Contractor to perform his duties hereunder. The Contractor's electrical requirements are listed in **Exhibit "C"** attached hereto. Contractor will use only licensed and bonded electricians in preparing the Contractor's electrical requirements. Power must be in place and of the specifications in **Exhibit "C"** one hour before the load-in time specified herein.
 - Buyer agrees to provide all additional expenses listed in Exhibit "C" attached hereto. Contractor will at no time be responsible for expenses related to Exhibit "C" should they not meet the expectations of the Buyer.
 - Buyer will provide adequate parking immediately adjacent to the staging area for the loading and unloading of equipment and parking/vehicle access permits to contractor and designated vehicles. Parking shall be reserved in advance for any vehicle the Contractor may need in the performance of his duties hereunder. It is Buyer's responsibility to retain access to and from the stage area and to

secure Contractor's parking during the entire term of this Agreement.

- Contractor is acting as an independent contractor in the performance of his duties herein. Buyer is not responsible for any workman compensation insurance of any kind for Contractor or Contractor's employees or personnel. All expenses pertaining to Contractor's employees and personnel, including but not limited to taxes, insurance, union or guild dues, or any other expenses regarding Contractor's employees or personnel are the sole responsibility of the Contractor.
- The agreement is for services rendered rain or shine. Contractor has the right to interrupt the performance of his duties hereunder in the event of inclement weather or any other condition which Contractor or Buyer regard as hazardous to any person or persons. Any such interruption, postponement or cancellation of services shall not affect the Contractor's compensation specified herein. In the event of a weather event, a rescheduled date may be requested by BUYER in the subsequent week following the originally schedule date. This date will be subject to CONTRACTOR's availability. Rescheduling must be agreed upon by both parties prior to 9am on the date of the originally contracted performance.
- If the performance is **CANCELLED** for any reason **prior to show date**, the deposit paid will be held by Forge Productions LLC or **50%** of the remaining contracted payment is required if no deposit was issued. If performance is **CANCELLED within 24 hours of the event date, full payment is required**. Please do not hesitate to contact us if you have any questions or wish to discuss the logistics of the event further. In the event the rescheduled performance date is also canceled, full payment is required regardless of advance notice. Performances cancelled post load-in and setup on the original contract date will be considered a fully executed contractual agreement and full payment must be made. In the event this situation arises, any subsequent rescheduled date will be considered an additional performance at the full contracted rate. Please do not hesitate to contact us if you have any questions or wish to discuss the logistics of the event further.
- Neither party may assign any of its rights or obligations under this agreement without the written consent of the other party, provided, however, contractor may assign this agreement to any of its affiliates or any successor to its business without the prior written consent of the buyer.

ADDITIONAL TERMS AND CONDITONS:

See Attached Rider (If Any)

- Should any portion of this Agreement prove to be invalid, illegal or unenforceable, it shall not affect the balance of this Agreement. This Agreement is guided by and governed by the laws of the State of **ARKANSAS** and **WASHINGTON** County shall be the place of execution and jurisdiction.
- Should any litigation arise between the parties hereto regarding the performance of this Agreement, the prevailing party shall be compensated for whatever damages are awarded, plus reasonable attorney's fees by the other party.
- This Agreement is the complete understanding between the parties and supersedes and replaces all previous agreements or representations both written and oral.

THE UNDERSIGNED PARTIES have read and understand the terms and conditions of this Agreement and do hereby set their hands.

CONTRACTOR SIGN

BUYER SIGN

CONTRACTOR PRINT

BUYER PRINT

DATE

DATE

FORGE PRODUCTIONS LLC
5 W MONTGOMERY ST
FAYETTEVILLE, AR 72701
479-366-7333 (MOBILE)

EXPERIENCE FAYETTEVILLE
21 S BLOCK AVE
FAYETTEVILLE, AR 72701
479-521-5776

EXHIBIT "A"
PROJECT EQUIPMENT LIST

See estimate attachment

ITEMIZED LIST NOT FINAL

EXHIBIT "C"
CLIENT PROVISIONS

Drink package for Forge Production crew (no alcohol)
Minimum 60 amp power service tie-in via bare wire or rv style plug