

**Fayetteville Advertising and  
Promotion Commission**

**February 19, 2024**

Location: Fayetteville Town Center, 15 W. Mountain Street

Commissioners: Chrissy Sanderson, Chair, Tourism & Hospitality Representative  
Katherine Kinney, Tourism & Hospitality Representative  
Todd Martin, Tourism & Hospitality Representative  
Elvis Moya, Tourism & Hospitality Representative  
Andrew Prysby, Commissioner at-large  
Sarah Bunch, City Council Representative  
Mike Wiederkehr, 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 January minutes.
- III. New Business
  - A. CEO Report. Molly Rawn. An executive overview of the previous month
  - B. Financial Report. Jennifer Walker, Vice President of Finance
  - C. Vote. Engagement Letter with Forvis, LLP for 2023 audit services.
  - D. Vote. Interior AV Upgrade at Fayetteville Town Center, Commercial Audio Services.
  - E. Additions to the agenda may be added upon request from a majority of the commissioners.
- IV. Adjourn

# Fayetteville Advertising and Promotion Commission

Minutes January 22, 2024

Fayetteville Town Center

Commissioners Present: Todd Martin, Chair Tourism & Hospitality Representative  
Mike Wiederkehr, City Council Representative (online)  
Chrissy Sanderson, Tourism & Hospitality Representative  
Katherine Kinney, Tourism & Hospitality Representative (online)  
Sarah Bunch, City Council Representative (online)  
Elvis Moya, Tourism & Hospitality Representative (online)

Commissioners Absent: Andrew Prysby, Commissioner at-large

Staff: Molly Rawn, CEO; Jennifer Walker, VP of Finance, Sarah King, VP of Marketing and Communications

I. Chair Martin called the meeting to order at 2:00 pm and declared a quorum.

II. Old Business

A. Chair Martin presented the November minutes and hearing no additions or corrections, he stated that the minutes stood approved as presented.

III. New Business

A. 2024 Chair Nomination

Chair Martin nominated Commissioner Chrissy Sanderson as chairperson. With no other nominations, Chair Martin called for a motion to cease nominations which Commissioner Mike Wiederkehr made with Commissioner Moya seconding. Chair Martin asked for a motion to approve Commissioner Sanderson as chair of 2024 by acclamation, which was made by Commissioner Moya and seconded by Commissioner Wiederkehr. It was approved unanimously. With that, Chair Martin thanked everyone and vacated the seat for Commissioner Sanderson.

B. CEO Report

1. There is no financial report as we've not yet received HMR collection information from the city.

C. Marketing Report

VP of Marketing and Communications Sarah King reviewed the 2023 website stats, showing that year over year they have really grown, especially email marketing. She remarked that we will cross reference the top 10 user locations with Arrivalist data. Our website's number one

referral this year is [arkansasrazorbacks.com](http://arkansasrazorbacks.com) – which we'll talk about later in the meeting as this contract renewal is an agenda item.

King then introduced 3 members of our new advertising agency, Outright Agency, to the commission:

Jared Schwartz, VP of Strategy & Partner, Grace Boye, Creative Director and Anne Davis, Director of Marketing.

Stephanie Levinson, Outright's Media Relations Manager, will be joining us at the reception after the meeting.

King and Anne Davis then shared a high-level timeline slide and Anne presented it to the group, ending with March being a launch of the tourism marketing campaign.

Discussion then turned to Fayetteville Restaurant Week. King said we'll have 5 mini films created by UA Journalism students that will be on social media. We will not be doing events but amplifying what restaurants are doing.

D. Vote. Contract with IMG College, LLC.

CEO Rawn presented this sponsorship agreement. IMG College, LLC is the organization that handles all licensing agreements concerning the Razorbacks. We also did this last year, and as a part of our marketing strategy, we would like to renew it. It is already in the budget for 2024 in non-agency advertising.

Commissioner Martin made a motion to approve the contract which was seconded from Commissioner Wiederkehr. Chair Sanderson asked for a roll call vote with the motion passing unanimously.

E. Vote. BOK Financial Retirement Savings Plan.

CEO Rawn shared that we've almost completed the process to begin the new retirement plan and today we need the commission to document two items: that the CEO has authority to sign contracts and legal agreements on behalf of the Fayetteville A&P and that the commission has authorized the CEO to delegate other administrative matters to individuals named in the attached resolution. Chair Martin asked for clarification of who FAP employees included, and it was stated that it included employees of both Experience Fayetteville and Fayetteville Town Center. Commissioner Moya made the motion to adopt the attached BOKF Authorized representative resolution and Commissioner Bunch seconded it. It was unanimously approved via a roll call vote.

F. With no other business, Chair Sanderson asked for a motion to adjourn. Commissioner Martin made a motion to adjourn with Commissioner Bunch seconding it. The meeting was adjourned at 2:47pm.

Fayetteville Advertising and Promotion Commission  
CEO Updates  
February 2024

### Executive Summary

- Anna Claire Day will transition from part-time Event Coordinator to part-time FTC Marketing Coordinator.
- We welcome Camille Letchford as a part-time Events Coordinator.
- Our work on the Tourism Master plan is underway! As of today members of the commission should have received two email surveys:
  - The internally focused Resilience Assessment
  - The broader Stakeholder Survey
- By the time we next meet, the resident sentiment survey will be live on our website. Additionally, representatives from Coraggio will be in Fayetteville in early March for public input sessions, which will be formally announced soon.
- A 2023 recap of Community Incentive Funding is attached. I am very proud of the process my team has built!

### Tourism Activity

- We secured the bid to host the 2024 NICA (National Interscholastic Cycling Association) Conference, taking place June 19-22, with an estimated attendance of 200-250 people.
- Once again hosting Touge Con event, September 6th & 7th. This event received National attention and has grown to 1,500+ people in attendance.
- We sponsored Frost Fest on Saturday, February 3rd, at \$1,500. The economic impact figures are pending.
- Fayetteville hosted the AR Black Music and Film Festival, Friday and Saturday February 9th & 10th with an incentive of \$2,500 and an estimated economic impact of \$25,000 which does include blocks at several Fayetteville properties.
- We welcomed 322 people in the Visitors Center in January (22% increase) from France, Ireland, Spain, and Australia.
- VC had \$2,456 in sales in January, a 154% increase over last January.

### Fayetteville Town Center

- The Fayetteville Town Center has successfully hosted twenty events since our last meeting.

- We are pleased to announce that we now have two ServSafe certified staff members: Monica Jannati and Madison Hurley.

## Marketing

- Fayetteville Restaurant Week is shaping up. Be sure to book your reservations and make plans soon! **FRW starts this Sunday, February 25 and runs through Saturday, March 2.**
  - As of last Monday, there were 76 participating restaurants.
  - The media and PR plan includes ads and interviews on five radio stations as well as programmatic digital ads.
  - Sarah King appeared on *Later with Jason Suel* along with Maudie Schmitt of Cafe Rue Orleans and Ted Hammig, who performed the FRW jingle with the house band.
  - Multi-page features appeared in *Citiscapes* and the new *Fayetteville Lifestyle* magazines.

## Downtown Fayetteville Coalition

- As a result of our work with Public Sphere Project, the DFC board has finalized its strategic framework. This plan will be unveiled at the organization's first annual meeting to be held in April, with details to follow.
- Kelly has rolled out a new process for notifying downtown businesses of upcoming special event permits filed.
- DFC has announced a date for the Inaugural Strawberry Festival on May 19<sup>th</sup>.

## Looking Forward

March meeting, Monday March, 25<sup>th</sup>

# 2023 Community Event Support

Experience Fayetteville provides funding to events that give Fayetteville unique flavor, often closing funding gaps to enable emerging events to get off the ground. Experience Fayetteville Community Event funding usually ranges from \$500 to \$2500. Last year:

- **26** events were funded
  - Of those 26, **16 were new events** (indicated by ✨)
  - Total Community Event Funding: **\$57,386**
- 
- Frost Fest Outdoor Craft Beer Festival
  - Black-Owned Business Expo ✨ (first time in Fayetteville)
  - Smithsonian Folklife Preview - a project of Music Education Initiative ✨
  - AMMPlify Festival - celebrating emerging musicians, artists, and writers ✨
  - Her Set, Her Sound Festival
  - Art Ventures NWA Out Loud House Party ✨
  - Northwest Arkansas Pride Festival
  - Juneteenth Celebration
  - A two-day concert by Gar Hole Records, a Fayetteville music label
  - Pottery on the Patio by Community Creative Center
  - Mount Sequoyah 100th Anniversary Celebration ✨
  - Botanical Garden of the Ozarks International Festival
  - Hopout DIY concert - an under-21 collective ✨
  - Maker Faire at Fayetteville Public Library
  - Artists Receptions at The Art Gallery at NWA Mall ✨
  - NWA Martin Luther King, Jr. Recommitment Celebration
  - Arkansas Country Blues and Stringband Festival ✨
  - Falltoberfest on Dickson Street ✨
  - Mitzvah Holiday Market ✨
  - Fruitcake Holiday Market ✨
  - FayetteVINTAGE Winter Market ✨
  - Sweaterfest - Arkansas hardcore concert ✨
  - Symphony of Northwest Arkansas Tone Painting - Live painting accompanied by music ✨
  - Santa Drop (from an airplane!) at Arkansas Air & Military Museum
  - Duke Deuce Concert - Memphis-style Crunk genre ✨
  - Wowza Ball - Wearable art competition ✨

December Collection  
(November Activity)

**\$58,202 + \$345,300**

Lodging

Restaurant

**\$27,985**

Prior Dues Collected

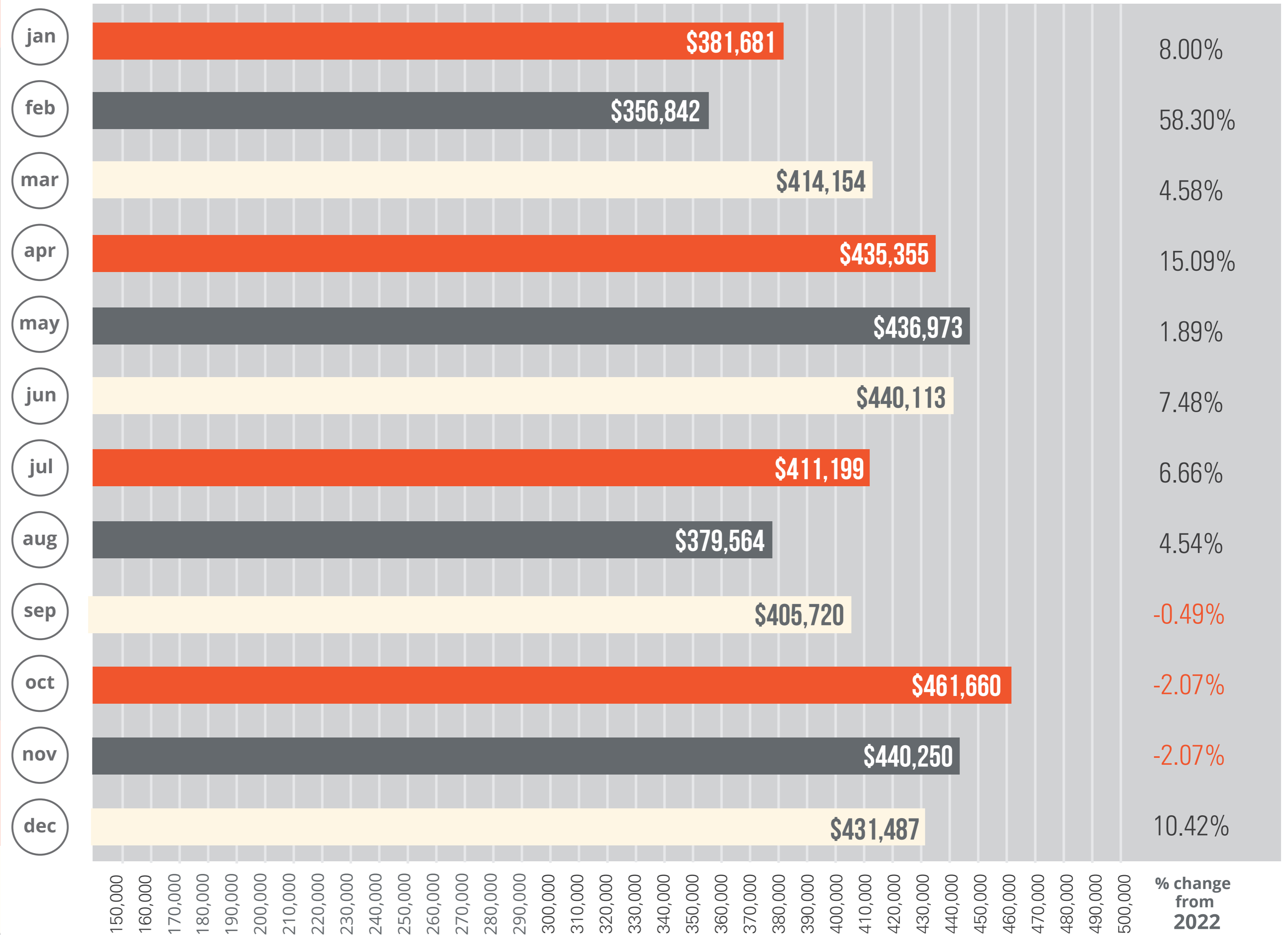
**\$431,487**

Total HMR Collected

Previous YTD (Jan-Dec) HMR A&P Tax Collection Totals

2019	2020	2021	2022	2023
\$3,701,187	\$3,008,949	\$3,998,903	\$4,659,525	<b>\$4,994,999</b>
4.12%	-18.70%	32.90%	16.52%	<b>7.20%</b>
% 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:** January 30, 2024

**Re:** Financial Statements – December 2023

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This packet contains Experience Fayetteville Financial Statements for the month ended December 31, 2023. The following reports are included in the packet:

- Summary P&L Financials for month ended December 31, 2023
- Balance Sheet for month ended December 31, 2023

Target Budget December – 100%

Revenue target 100% of budget or higher by the end of December 2023.

Expenditures target 100% or lower at December 2023.

Total Revenue YTD: \$5,898,297 or 104%; We are 4% above target.

Tax Receipts - \$4,994,998 (1% above budget ytd)

Town Center - \$ 669,980 (over budget by 29% ytd)

Other - \$233,319

Total Operating Expenditure YTD: \$5,112,211 or 96%; this is 4% under budget.

EF Main - \$4,129,412

Town Center - \$982,799

HMR tax – YTD December Collections (November activity) are now 0.8% above the seasonally adjusted budget.

Operating Net Income is \$786,086 year to date.



**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ December 31, 2023**

	<b>CONSOLIDATED</b>			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
<b>Revenue</b>				
Hotel, Motel, Restaurant Taxes Revenue	4,994,998	4,960,000	34,998	100.7%
Rental Revenue	628,599	485,500	143,099	129.5%
Event Revenue	57,777	56,500	1,277	102.3%
Visitor Center Store Revenue	46,118	40,700	5,418	113.3%
Parking Revenue	29,821	26,000	3,821	114.7%
Advertising Revenue	4,255	3,500	755	121.6%
Grant/Other Revenue	87,100	83,000	4,100	104.9%
Interest and Investment Revenue	49,630	25,050	24,580	198.1%
<b>Total Revenue</b>	<b>5,898,297</b>	<b>5,680,250</b>	<b>218,047</b>	<b>103.8%</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Rental Expenses	93,181	208,000	(114,819)	44.8%
Event Expenses	126,530	140,600	(14,070)	90.0%
Visitor Center & Museum Store	25,357	34,700	(9,343)	73.1%
Personnel	1,890,693	1,968,562	(77,869)	96.0%
Sales & Marketing	1,225,972	1,218,423	7,549	100.6%
Office and Administrative	803,866	825,756	(21,890)	97.3%
Bond Payments	697,800	700,000	(2,200)	99.7%
Contribution to Capital Reserves	-	-	-	0.0%
Other grants	203,813	223,000	(19,187)	91.4%
<b>Total Operating Expenses</b>	<b>5,112,211</b>	<b>5,319,041</b>	<b>(206,830)</b>	<b>96.1%</b>
<b>Net Operating Income/(Loss)</b>	<b>786,086</b>	<b>361,209</b>	<b>424,877</b>	<b>217.6%</b>
<b>Other Income</b>				
Unrealized Gain/(Loss) on Investments	(12,928)			<b>0.0%</b>
<b>Other Expenses</b>				
FFE & Improvements	380,765	921,000	(540,235)	41.3%
Depreciation Expense	190,210			0.0%
Cost of Goods Sold	(4,244)			0.0%
<b>Net Income/(Loss) (without CX Grants)</b>	<b>206,426</b>	<b>(559,791)</b>	<b>779,146</b>	<b>-36.9%</b>

**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ December 31, 2023**

	<b>Experience Fayetteville</b>			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
<b>Revenue</b>				
Hotel, Motel, Restaurant Taxes Revenue	4,994,998	4,960,000	34,998	100.7%
Rental and Event Revenue	46,336	49,000	(2,664)	94.6%
Visitor Center Store Revenue	46,118	40,700	5,418	113.3%
Advertising Revenue	4,255	3,500	755	121.6%
Grant & Other Revenue	87,100	83,000	4,100	104.9%
Interest and Investment Revenue	49,510	25,000	24,510	198.0%
<b>Total Revenue</b>	<b>5,228,316</b>	<b>5,161,200</b>	<b>67,116</b>	<b>101.3%</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Event Expenses	110,989	110,600	389	100.4%
Visitor Center & Museum Store	25,357	34,700	(9,343)	73.1%
Personnel	1,340,590	1,399,952	(59,362)	95.8%
Sales & Marketing	1,207,675	1,191,902	15,773	101.3%
Office and Administrative	498,188	498,257	(69)	100.0%
Bond Payments	697,800	700,000	(2,200)	99.7%
Contribution to Capital Reserve	-	-	-	0.0%
Other Grants	203,813	223,000	(19,187)	91.4%
<b>Total Operating Expenses</b>	<b>4,129,412</b>	<b>4,158,411</b>	<b>(28,999)</b>	<b>99.3%</b>
<b>Net Income/(Loss) Before Other Revenue and Expenses</b>	<b>1,098,904</b>	<b>1,002,789</b>	<b>96,115</b>	<b>109.6%</b>
<b>Other Income</b>				
Unrealized Gain/(Loss) on Investments	(12,928)	-	(12,928)	0.0%
<b>Other Expenses</b>				
FFE & Improvements	26,052	545,000	(518,948)	4.8%
Depreciation Expense	102,439			
Cost of Goods Sold	(4,244)			
<b>Net Income/(Loss)</b>	<b>961,730</b>	<b>457,789</b>	<b>516,869</b>	<b>210.1%</b>

**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ December 31, 2023**

	<b>Town Center</b>			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
<b>Revenue</b>				
Rental Revenue	628,599	485,500	143,099	129.5%
Event Revenue	11,441	7,500	3,941	152.6%
Parking Revenue	29,821	26,000	3,821	114.7%
Interest and Investment Revenue	120	50	70	240.0%
<b>Total Revenue</b>	<b>669,981</b>	<b>519,050</b>	<b>150,931</b>	<b>129.1%</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Rental Expenses	93,181	208,000	(114,819)	44.8%
Event Expenses	15,540	30,000	(14,460)	51.8%
Personnel	550,103	568,610	(18,507)	96.7%
Sales & Marketing	18,297	26,521	(8,224)	69.0%
Office and Administrative	305,678	327,499	(21,821)	93.3%
<b>Total Operating Expenses</b>	<b>982,799</b>	<b>1,160,630</b>	<b>(177,831)</b>	<b>84.7%</b>
<b>Net Income/(Loss) Before Other Revenue and Expenses</b>	<b>(312,818)</b>	<b>(641,580)</b>	<b>328,762</b>	<b>48.8%</b>
<b>Other Expenses</b>				
FFE & Improvements	354,714	376,000	(21,286)	5.7%
Depreciation Expense	87,771			0.0%
<b>Net Income/(Loss)</b>	<b>(755,303)</b>	<b>(1,017,580)</b>	<b>262,277</b>	<b>74.2%</b>

# Fayetteville A&P Commission

## Balance Sheet

As of December 31, 2023

### ASSETS

#### Current Assets

Cash		3,867,134
Investments		1,215,284
Accounts Receivable		560,564
Prepaid Expenses		58,321
Deposits		28,369
Inventory Asset		32,452
<b>Total Current Assets</b>		<b>5,762,125</b>

#### 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	104,548	
Accumulated Depreciation	(1,716,579)	
<b>Total Other Assets</b>		<b>2,804,350</b>

### TOTAL ASSETS

**8,566,475**

### LIABILITIES AND EQUITY

#### Current Liabilities

Accounts Payable	257,710	
Unearned Revenue	212,150	
<b>Total Liabilities</b>		<b>469,860</b>

#### Equity

Unreserved Fund Balance	5,687,030	
Operating Reserve	1,000,000	
Capital Reserve	1,100,000	
Temporarily Restricted Funds	126,817	
Net Revenue		
Gain/(Loss) on Investments	(12,928)	
Net Revenue without Cyclocross	219,355	
Net Revenue for Cyclocross	(23,659)	182,768
<b>Total Equity</b>		<b>8,096,615</b>

### TOTAL LIABILITIES AND EQUITY

**8,566,475**

January Collection  
(December Activity)

**\$37,979** + **\$328,293**

Lodging

Restaurant

**\$16,313**

Prior Dues Collected

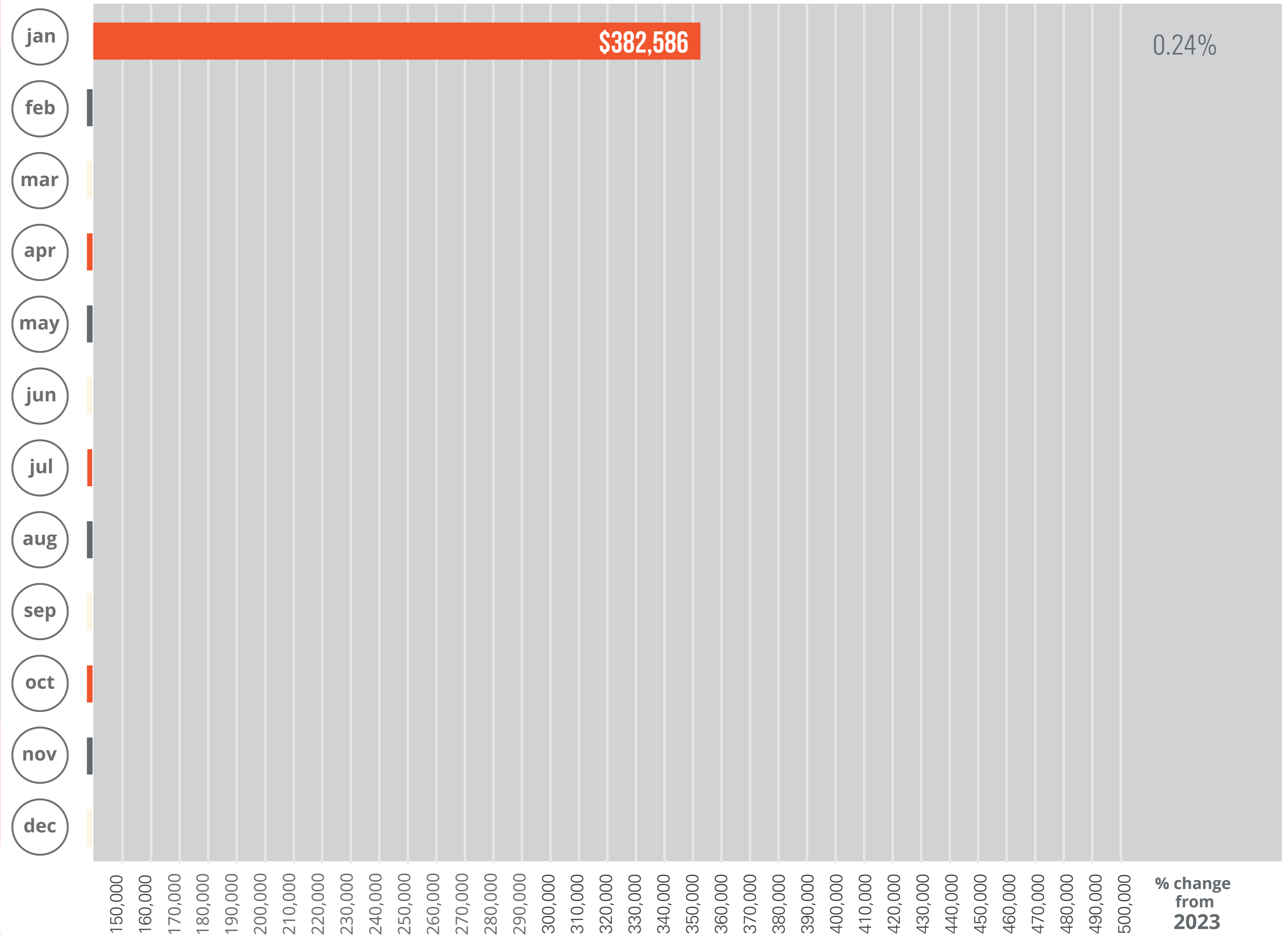
**\$382,586**

Total HMR Collected

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

2010	2021	2022	2023	2024
\$293,628	\$263,665	\$ 353,407	\$381,681	<b>\$382,586</b>
6.67%	-10.20%	34.04%	8.00%	<b>0.24%</b>
% change over previous year				

Monthly A&P Tax Collections 2024\*\*



\*\* 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:** February 14, 2024

**Re:** Financial Statements – January 2024

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This packet contains Experience Fayetteville Financial Statements for the month ended January 31, 2024. The following reports are included in the packet:

- Summary P&L Financials for month ended January 31, 2024
- Balance Sheet for month ended January 31, 2024

Target Budget January – 8%

Revenue target 8% of budget or higher by the end of January 2024.

Expenditures target 8% or lower at January 2024.

Total Revenue YTD: \$400,523 or 6.5%; We are 1% below target.

Tax Receipts - \$382,586 (1% below budget ytd)

Town Center - \$ 11,009 (6% below budget ytd)

Other - \$6,928

Total Operating Expenditure YTD: \$443,462 or 7%; this is 1% under budget.

EF Main - \$381,167

Town Center - \$62,294

HMR tax – YTD January Collections (December activity) are 2.8% below the seasonally adjusted budget.

Operating Net Loss is (\$42,938) year to date.

**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ January 31, 2024**

	<b>CONSOLIDATED</b>			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
<b>Revenue</b>				
Hotel, Motel, Restaurant Taxes Revenue	382,586	5,208,000	(4,825,414)	7.3%
Rental Revenue	10,631	578,340	(567,709)	1.8%
Event Revenue	367	69,000	(68,633)	0.5%
Visitor Center Store Revenue	1,463	46,500	(45,037)	3.1%
Parking Revenue	-	27,000	(27,000)	0.0%
Advertising Revenue	250	3,500	(3,250)	7.1%
Grant/Other Revenue	-	210,000	(210,000)	0.0%
Interest and Investment Revenue	5,227	25,100	(19,873)	20.8%
<b>Total Revenue</b>	<b>400,523</b>	<b>6,167,440</b>	<b>(5,766,917)</b>	<b>6.5%</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Rental Expenses	207	231,500	(231,293)	0.1%
Event Expenses	775	124,550	(123,775)	0.6%
Visitor Center & Museum Store	6,276	53,619	(47,343)	11.7%
Personnel	116,076	2,085,144	(1,969,068)	5.6%
Sales & Marketing	191,627	1,530,042	(1,338,415)	12.5%
Office and Administrative	63,296	862,617	(799,321)	7.3%
Bond Payments	58,150	700,000	(641,850)	8.3%
Contribution to Capital Reserves	-	100,000	(100,000)	0.0%
Other Tourism Support - Community, Art Court, DFC	7,055	311,500	(304,445)	2.3%
TheatreSquared Contribution	-	200,000	(200,000)	0.0%
<b>Total Operating Expenses</b>	<b>443,462</b>	<b>6,198,972</b>	<b>(5,755,511)</b>	<b>7.2%</b>
<b>Net Operating Income/(Loss)</b>	<b>(42,938)</b>	<b>(31,532)</b>	<b>(11,406)</b>	<b>136.2%</b>
<b>Other Income</b>				
Unrealized Gain/(Loss) on Investments	(421,165)			0.0%
<b>Other Expenses</b>				
FFE & Improvements	12,649	971,000	(958,351)	1.3%
Depreciation Expense	18,528			0.0%
Cost of Goods Sold	(872)			0.0%
<b>Net Income/(Loss) (without CX Grants)</b>	<b>(494,409)</b>	<b>(1,002,532)</b>	<b>929,288</b>	<b>49.3%</b>

**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ January 31, 2024**

	<b>Experience Fayetteville</b>			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
<b>Revenue</b>				
Hotel, Motel, Restaurant Taxes Revenue	382,586	5,208,000	(4,825,414)	7.3%
Rental and Event Revenue	-	55,350	(55,350)	0.0%
Visitor Center Store Revenue	1,463	46,500	(45,037)	3.1%
Advertising Revenue	250	3,500	(3,250)	7.1%
Grant & Other Revenue	-	210,000	(210,000)	0.0%
Interest and Investment Revenue	5,216	25,000	(19,784)	20.9%
<b>Total Revenue</b>	<b>389,515</b>	<b>5,548,350</b>	<b>(5,158,835)</b>	<b>7.0%</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Event Expenses	-	89,550	(89,550)	0.0%
Visitor Center & Museum Store	6,276	53,619	(47,343)	11.7%
Personnel	81,741	1,412,532	(1,330,791)	5.8%
Sales & Marketing	190,544	1,494,392	(1,303,848)	12.8%
Office and Administrative	37,401	489,312	(451,911)	7.6%
Bond Payments	58,150	700,000	(641,850)	8.3%
Contribution to Capital Reserve	-	100,000	(100,000)	0.0%
Other Tourism Support - Community, Art Court, DFC	7,055	311,500	(304,445)	2.3%
TheatreSquared Contribution	-	200,000	(200,000)	0.0%
<b>Total Operating Expenses</b>	<b>381,167</b>	<b>4,850,905</b>	<b>(4,469,738)</b>	<b>7.9%</b>
<b>Net Income/(Loss) Before Other Revenue and Expenses</b>	<b>8,347</b>	<b>697,445</b>	<b>(689,098)</b>	<b>1.2%</b>
<b>Other Income</b>				
Unrealized Gain/(Loss) on Investments	(421,165)	-	(421,165)	0.0%
<b>Other Expenses</b>				
FFE & Improvements	12,649	511,000	(498,351)	2.5%
Depreciation Expense	8,594			
Cost of Goods Sold	(872)			
<b>Net Income/(Loss)</b>	<b>(433,190)</b>	<b>186,445</b>	<b>(198,469)</b>	<b>-232.3%</b>



**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ January 31, 2024**

	<b>Town Center</b>			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	% of Budget
<b>Revenue</b>				
Rental Revenue	10,631	578,340	(567,709)	1.8%
Event Revenue	367	13,650	(13,283)	2.7%
Parking Revenue	-	27,000	(27,000)	0.0%
Interest and Investment Revenue	11	100	(89)	10.7%
<b>Total Revenue</b>	<b>11,009</b>	<b>619,090</b>	<b>(608,081)</b>	<b>1.8%</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Rental Expenses	207	231,500	(231,293)	0.1%
Event Expenses	775	35,000	(34,225)	2.2%
Personnel	34,335	672,612	(638,277)	5.1%
Sales & Marketing	1,083	35,650	(34,568)	3.0%
Office and Administrative	25,895	373,305	(347,410)	6.9%
<b>Total Operating Expenses</b>	<b>62,294</b>	<b>1,348,067</b>	<b>(1,285,773)</b>	<b>4.6%</b>
<b>Net Income/(Loss) Before Other Revenue and Expenses</b>	<b>(51,286)</b>	<b>(728,977)</b>	<b>677,691</b>	<b>7.0%</b>
<b>Other Expenses</b>				
FFE & Improvements	-	460,000	(460,000)	100.0%
Depreciation Expense	9,933			0.0%
<b>Net Income/(Loss)</b>	<b>(61,219)</b>	<b>(1,188,977)</b>	<b>1,127,758</b>	<b>5.1%</b>

# Fayetteville A&P Commission

## Balance Sheet

As of January 31, 2024

### ASSETS

#### Current Assets

Cash		3,695,780
Investments		794,119
Accounts Receivable		583,000
Prepaid Expenses		29,757
Deposits		28,369
Inventory Asset		24,643
<b>Total Current Assets</b>		<b>5,155,668</b>

#### Other Assets

Capital Assets		
Furniture & Fixtures	169,248	
Equipment	756,009	
EF/CVB Building	940,410	
EF/CVB Land	198,621	
Building Additions	1,451,322	
Walker-Stone House	1,174,064	
Vehicles	122,860	
Construction in Progress	19,205	
Accumulated Depreciation	(1,709,462)	
<b>Total Other Assets</b>		<b>3,122,278</b>

### TOTAL ASSETS

**8,277,946**

### LIABILITIES AND EQUITY

#### Current Liabilities

Accounts Payable	71,596	
Unearned Revenue	305,073	
<b>Total Liabilities</b>		<b>376,669</b>

#### Equity

Unreserved Fund Balance	6,167,617	
Operating Reserve	1,000,000	
Capital Reserve	1,100,000	
Temporarily Restricted Funds	126,817	
Net Revenue		
Gain/(Loss) on Investments	(421,165)	
Net Revenue without Cyclocross	(73,244)	
Net Revenue for Cyclocross	1,251	(493,157)
<b>Total Equity</b>		<b>7,901,277</b>

### TOTAL LIABILITIES AND EQUITY

**8,277,946**

# Memo



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

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

**Date:** February 15, 2024

**Re:** 2023 Financial Audit Engagement Letter with Forvis

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## Background:

Fayetteville Advertising and Promotion Commission contracted with Forvis, LLP to perform audit services for the years ending 2018 - 2022.

The fee for auditing the 2023 financials is estimated to be \$29,500. The 2024 operating budget allocates \$30,000 for audit and accounting services.

The 2023 engagement letter is attached for reference.

**Staff Recommendation: A vote to authorize CEO Molly Rawn to execute an engagement letter with Forvis, LLP for 2023 audit services estimated at \$30,000.**



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

P 479.845.0270 / F 479.845.0840

[forvis.com](http://forvis.com)

January 15, 2024

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, 2023

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 fee for our services will be \$29,500 for the audit services including the fee for implementing GASB 96. 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 certain technology and administrative costs associated with our services.

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. 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.

**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 regulatory basis 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, 2023

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 regulatory basis financial statements prepared in accordance with Arkansas Code Section 10-4-202
- 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:

<p><b>Entity Name</b> FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION</p>	<p><b>Party Name</b> Board of Commissioners Mr. Molly Rawn, CEO</p>
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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. 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 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 practices permitted by Arkansas Code Section 10-4-202, which is a regulatory basis of accounting that differs from 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.

**Fayetteville A&P  
Commission**

# Memo

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

**From:** Tyler Wilson, Executive Director, Fayetteville Town Center  
Miletus Callahan-Barile, Facilities Manager, Fayetteville Town Center

**Date:** February 19, 2024

**Re:** Interior AV Upgrade at Fayetteville Town Center

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**Background:**

The Fayetteville Town Center's current AV system is in need of upgrading. The current projectors only support standard definition and are beyond the end of their life cycle. This limitation significantly impacts the quality of presentations and events hosted at our facility. Commercial Audio Systems estimates the cost of this project to be \$44,172.90, with all taxes and fees included. Two additional bids were sought, but due to Commercial Audio Systems specialization in the Crestron branded system in place and their status as the only local vendor certified to provide the proprietary upgrade it is our recommendation that we utilize this vendor.

**Recommendation:**

The Facilities Manager, Executive Director, and CEO recommend that the commission accepts the quote from Commercial Audio Systems for projector and equipment refresh with a ten percent price contingency to the Fayetteville Town Center interior AV system due to their experience with projects of this nature and scope.



# COMMERCIAL AUDIO SYSTEMS

## Fayetteville Town Center

### Projector and equipment refresh

**TIPS TAPS Contract number: 200904 Audio Visual Equipment, Supplies, and Services 11/30/2023 See EDGAR Certification Doc.**

<u>Quantity</u>	<u>Brand</u>	<u>Model</u>	<u>Description</u>
3	Epson	<a href="#">EB-PU1008</a>	8500 Lumens Laser projector
1	Epson	V12H004M08	Standard throw lens
1	Crestron	DM-PSU-8 Plus	POE injector to replace aging power supplies
4	CAS	Labor	Installation Labor
1	CAS	PRG	System Programming

**Sub: \$26,643.60**  
**Sales Tax: \$2,597.75**  
**Total: \$29,241.35**

<u>Quantity</u>	<u>Brand</u>	<u>Model</u>	<u>Description</u>
3	Epson	<a href="#">EB-PU2010</a>	10,000 Lumens Laser projector (Much brighter!)
1	Epson	V12H004M08	Standard throw lens
1	Crestron	DM-PSU-8 Plus	POE injector to replace aging power supplies
4	CAS	Labor	Installation Labor
1	CAS	PRG	System Programming

**Sub: \$40,248.66**  
**Sales Tax: \$3,924.24**  
**Total: \$44,172.90**