Fayetteville Advertising and
Promotion Commission
July 27th, 2026

Location: Fayetteville Town Center, 15 W. Mountain Street

Commissioners: Elvis Moya, Chair, Tourism & Hospitality Representative
Katherine Kinney, Tourism & Hospitality Representative
Elliot Hunt, Tourism & Hospitality Representative
Megan Tyree, Tourism & Hospitality Representative
Sterling Hamilton, Commissioner at-large
Bob Stafford, City Council Representative
Mike Wiederkehr, City Council Representative

Staff: Ryan Hauck, CEO

Agenda

I. Call to order at 2:00p.m., Chair Moya

II. Administration

A. Additions or changes to the agenda may be added upon request from a majority of the commissioners, Chair Moya

B. Review and approval of June meeting minutes, Chair Moya.

C. Request to open Operating Bank Account with Bank of Fayetteville, DOF Hunt

III. Reports

A. CEO Report, CEO Hauck. An executive overview of the previous month

B. Financial Report, DOF Hunt

C. 2025 Audit Report, Forvis Director, CPA Cynthia Burns

V. New Business

A. Discuss and Vote. Favoriteville MOU & Process Changes, Legal Counsel Philip Elmore

B. Discuss and Vote. Favoriteville Fund Request – Freak Show Day Fest – NWA Camp, CEO Hauck

VI. Good of the Order/ Adjournment, Chair Moya and CEO Hauck

Fayetteville A&P Commission Meeting Minutes, June 15th, 2026

Fayetteville Town Center

Commissioners Present: Chair Moya, Commissioners Kinney, Hunt, Tyree, Hamilton, Stafford and Wiederkehr

Absent: None

Staff Present: CEO Ryan Hauck

I. Chair Moya called the meeting to order at 2 pm

II. Administration

A. CEO Hauck noted changes to the agenda included updated information pertaining to the Proposal to Optimize Cash Holdings.

B. Motion to approve April 27th meeting minutes was made by Commissioner Stafford and seconded by Commissioner Hunt and was approved unanimously.

III. Reports

A. CEO Report

CEO Hauck gave an A250 update, noting collateral materials provided to commissioners, including fans, stickers, shirts and other items, and highlighted an A250-labeled beer from Fossil Cove.
The Experience Fayetteville roof project is complete. Rot was discovered during the process, and after confirmation with Chair Moya, an additional $14,000 in repairs were completed.

He noted recent conferences and sporting events, including the Congress for New Urbanism conference in Fayetteville and Bentonville, which received rave reviews. Room nights and economic impact were listed in the report.
In Marketing, he shared that VERB hosted complimentary workshops for HMR partners with about 25 participants, and that BlkElk Media was contracted to create a MICE campaign showcasing Fayetteville as a premier, walkable meetings and event destination. He also noted recent influencer visits, including one focused on Restaurant Week.

VERB's paid media efforts in May increased partner referrals by 54% compared to April.
AM Group generated 15 press mentions, 395.6M audience reach and $724K in AVE.
He presented a possible funding request from Botanical Gardens of the Ozarks, noting the total cost would be $140K, with the initial ask to A&P Commission possibly half and potential funding from other sources, including the city's Arts and Culture department.

He presented the Marketing and Sales plan provided to commissioners and noted it will be placed on the website. This first compiled plan includes the Destination Master Plan, five main pillars and KPIs for the year.

Next year's plan will wrap the 2026 Impact plan with the Marketing and Sales plan and is expected in early first quarter 2027.

He then noted opening and closures of restaurants.

Upcoming events include – Make Music Day, NWA Pride, July 21-28th with Vanny onsite at the Upper Ramble for the festival.

A250 celebrations begin July 2 with the Gulley Park concert, a proclamation from Mayor Rawn and a fly-over. July 3 will be at the Upper Ramble with NWA Bite, and July 4 includes fireworks and a festival at the mall. Additional A250 events continue throughout the year, including a U of A football game and the Veterans parade in November.

Related to the HMR slide, commissioners discussed future hotel booking information. CEO Hauck said some information comes from Zartico. After discussion led by Commissioner Kinney, it was decided that showing RevPAR compared to last year and by quarterly trend would be helpful. Hauck said they receive trends, not necessarily hard data for future bookings. Commissioner Kinney said she would work with CEO Hauck to distill this trend further. It was noted that there were 2,458 hotel rooms and in a few years with current projects, we'll have almost 2,900.

B. Financial Report – Director of Finance, Gretchen Hunt

Director Hunt said she would work with Chair Moya and CEO Hauck to ensure the commission receives financial information in the most helpful format.

Director Hunt spoke about the HMR activity for the reporting month, noting it was 1% below the seasonally adjusted budget. Hunt explained that the 42% target budget is a placeholder showing the year is 5/12 complete and does not reflect seasonally adjusted income. With current revenue at 38.5% and operating expenses at 40.1%, she said results are where expected.
Net income, including depreciation from the 2025 audit, shows a $122K loss, while net operating income, excluding depreciation and investment income, is $17K.

Commissioner Wiederkehr suggested a simple range to show whether actuals are on target. Commissioners also discussed addressing the two Covid years of data and possibly omitting part of that data from the 10-year seasonally adjusted worksheet.

With no other questions or discussion, the report concluded.

C. Favoriteville Fund Legal Review, Philip Elmore, QG&T

Mr. Elmore introduced himself and noted he served as legal counsel for the commission.

He gave an overview of the Favoriteville Fund with three points.
First, Arkansas Code 26-75-606 governs A&P Commission funds, including permissible uses and restrictions against general capital improvements, general city or county operations, or subsidizing civic groups or Chambers of Commerce.

Second point – To discuss the Favoriteville Fund process and application.
It's his legal opinion that the process and application fall into compliance with this Arkansas code. He stated that he defined civic groups as community service organizations such as Rotary, Parent or Neighborhood associations. Private individuals or business entities fall outside of this civic group definition. As long as funds are awarded to a Private individual or business entity, these funds are being awarded appropriately and he finds it extremely unlikely that an Arkansas Court would find the margin or protection funds awarded unlawfully so long as the funds were awarded to a private individual (event organizer) or business entity.

Third point – He recommends that the commission votes to approve a MOU that all applicants will be required to sign along with Experience Fayetteville after we have reviewed and approved an application and decided to fund the event as long as the applicant signs and adheres to the items outlined in the MOU.

This will provide greater protection for the commission, ensuring that the applicants can meet the requirements. He recommends that only private entities or people receive funding.

Both CEO Hauck and Commissioner Hamilton volunteered to work with Mr. Elmore to create this MOU.

D. Community Incentive Fund Recipients YTD, CEO Ryan Hauck

Hauck reviewed this year's community incentive fund recipients and noted that Clinton House Museum and NWA Pride amounts are listed in the line item but do not reduce the fund total. Commissioners discussed receiving monthly funded lists and quarterly lists of applicants not funded.

E. Quarterly Marketing and Communications Report and new Campaign discussion,

VP of Marketing and Communications Brannon Pack reviewed quarterly marketing and communications accomplishments.

Experience Fayetteville partnered with FTC, HMR partners, VERB and AM Group to present a workshop to 25 participants. Fayetteville Restaurant Week was expanded to a 10-day format, July 19-26.

A new and expanded MICE strategy is in development, including collateral, a more in-depth website and a video called Where Mountains and Meetings Mix Naturally, which will also highlight FTC.

Next Pack spoke about Fayetteville Pride Campaign, expressing the added promotion we are doing this year. He shared our top performing creative items.

Looking ahead, we'll be launching a dollar-to-dollar campaign with Expedia.

He shared top Facebook and Instagram posts with large increases, noted the launch of TikTok, and reported 4 million Facebook reaches from organic content.

He shared some top PR performance such as 66 earned media placements and we are bringing in influencers specifically for pride.

Pack then shifted to get commission's feedback of one of two possible options for our next campaign.

Pack asked for feedback on two possible campaign options: One Thing Led to Another, focused on trails, and a Favoriteville-focused option. The commission leaned toward the first option. Commissioner Kinney said she'd like to learn more about the funds being invested in the MICE campaign.

The commissioners appreciated the report which Pack said would be sent to the after the meeting.

VI. New Business

A. Discuss and Vote. Proposal to Optimize Cash Holdings, Director of Finance Gretchen Hunt

Hunt said the proposed financial options are allowable, referencing the memo and attachments from legal counsel. Several financial institutions provided CD and Money Market rates, as documented in the packet.

She recommends that we move funds not needed for operating from banking accounts to both CDs and a Money Market with the Bank of Fayetteville. It would take a few months before this could occur. She is recommending Bank of Fayetteville as their CD and Money Markets rates were the most favorable.

Potential increased investment income could be discussed at the annual October retreat. It was noted that interest income would have fewer spending restrictions. Philip said he could review options and restrictions for these funds.

She restated her recommendations:

Requested Commission Action:
She suggests the Commission authorize staff to coordinate with Bank of Fayetteville to implement the following (with the signers on any new accounts will match who is listed on existing accounts):

1. Deposit $2.5 million into five separate CDs of $500,000 each, laddered and placed at the highest available interest rates.

2. Deposit $1 million into a new Money Market checking account

And also coordinate with First Security Bank to implement the following:

3. Close two (xxxx-1528 and xxxx-4209) of the organization's three existing checking accounts, retaining the primary operating account.

Moya asked for a motion to deposit $2.5 million into 5 separate CDs laddered and in the highest rate provided by Bank of Fayetteville and open a money market account with a $1 million deposit. Commissioner Hamilton made the motion which was seconded by Commissioner Kinney. It was approved unanimously.

V. Good of the Order/ Adjournment, Chair Moya and CEO Hauck

Chair Moya asked if there were any announcements. Hauck stated that all of city council and the mayor would be receiving a copy of the Marketing and Sales plan.

Chair Moya called for a motion to adjourn which was provided by Commissioner Stafford and seconded by Commissioner Tyree. The meeting ended at 3:33pm

Minutes submitted by Amy Stockton, Director of Organizational Services with Experience Fayetteville.

Memo

To: Ryan Hauck, CEO, Experience Fayetteville
Fayetteville Advertising & Promotion Commissioners

From: Gretchen Hunt, Director of Finance, Experience Fayetteville

Date: July 15, 2026

Re: Request to open operating checking account at Bank of Fayetteville

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Background

As part of the Commission's transition to the Bank of Fayetteville, staff has opened a Money Market checking account and funded Certificates of Deposit. The next step is to establish a new operating checking account, which will serve as the Commission's primary account for all banking activities.

Opening the new operating checking account is a key step in completing the banking transition and ensuring continuity of the Commission's financial operations. Once the account has been established, staff will coordinate the transfer of funds, update payment and deposit information as needed, and transition all routine banking activities to the new account in a manner that minimizes disruption to Commission operations. We will close our First Security operating account when it is feasible.

Requested Commission Action

Staff requests that the Commission authorize the opening of a new operating checking account with Bank of Fayetteville with the same authorized signers currently designated on the Commission's existing bank accounts: the Chairperson, CEO and Director of Organizational Services.

CEO Update for July 2026

Admin

- A250 Celebration Update
- Restaurant Week Update & Free workshops for our restaurant partners this week
- Favoriteville Fund update: we may no longer need to allocate Favoriteville Funds to TougeCon due to event restructure
- Personnel Updates:
  - Fayetteville Town Center:
    - We said goodbye to Griffin Stroupe who served 5 years as our Director of Sales.
    - Emma Reed promoted to Director of Sales (formally Event Services Manager)
    - Robbie Courtway promoted to Event Services Manager (formally Event Services Coordinator II)
    - Mason Rios promoted to Event Services Coordinator II (formally Event Services I)

Visitor Center

- **1,056 visitors** in June
- **Sales:** $3,335 **Ale Trail:** 6 completed passports.
- **Events of note:** PRIDE, Make Music Day, Walmart Shareholders

Destination Services

- Julie attended her last session of Southeast Tourism Society Marketing College, graduating in September
- Continued work on CTA (Certified Tourism Ambassador) program
- Attended AHA (Arkansas Hospitality Association) – discussing NWA Chapter
- Brainstorm with TheatreSquared about activation for Fayetteville's 200th birthday

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Experience Fayetteville Sales

<u>*Supported Group/Meetings</u>

* Amount of support shown in parentheses

Name of Event	Est. Attendees	EI
Young Entrepreneur Institute ($750)	30	$10,437
Curricula Concepts- Physical Activity Summit ($500)	100	$17,223
Pride Alumni Society ($1,250)	300	$21,833

Name of Event	Est. Attendees	EI
Dr Comics/Our Con ($1,000)	500	$195,346

***Supported Sports Events**

* Amount of support shown in parentheses

Name of Event	Est. Attendees	EI
NWA Naturals Championship ($750)	300+	$75,293
Hazel Valley Rally ($3,500)	500	$97,926
119th Southern Amateur Golf Championships ($4,000)	100+	$276,991
5V5 Soccer Tournament ($1,200)	500	$104,000
Ozark Valley Tri ($16,500 lump sum to All Sports Production for 6 events)	300	$144,000
Kessler Mountain Jam (see above)	200+	$30,146

- **Trade Show/Expo Attendance:**
  - Dell staffed the Great American State Fair on the National Mall in DC July 1-5 in partnership with other state DMO team
  - Tina completed her second CDME course needed for certification
  - Jose attending SEC Media days with AM Group July 19-24
- **Special Call outs:**
  - Sales Team represented EF at 6 area networking and event tabling events since last update
  - Sales Team kicking off a Fall FAM to include FTC with the goal of bringing in 15-20 meeting and sports planners for a 2-day fully hosted site visit. Dates TBD
  - Follow us on LinkedIn! Goal is 6,500 by end of Q4. Currently at 6,305

Fayetteville Town Center

FTC Bookings & Operations

- 14 bookings completed in June; 18 confirmed for July
- Event Execution: 14 events held with total attendance of more than 2,342
- Training and selecting 1099 workers for upcoming busy season

FTC Accomplishments & Projects

- Sent out American Cancer Society agreement renewal
- Hosted Women of All Generations for the second year – boasted highest attendance yet
- Working to ensure each current staffer promoted receives training and support

- Professional development planning for both sales and events team (SERV Safe & CMP)
- Ongoing guest surveys

FTC Monthly Sales Report

FTC Activity: 8 incoming calls | 27 outgoing | 78 emails | 6 meetings

FTC Pipeline:

- 8 contracts in negotiation; 38 tentative/hold.
- Prospective value of contracts: $654K
- 4 key opportunities to close next month.

FTC Sales Priorities:

- 2027 rebookings & pricing structure updates; turning holds into definites

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Marketing & Communications

- Contracted with Expedia Group for a 6-month campaign with a 1:1 (dollar for dollar) match, with paid ads running from July through December on one of the largest OTAs, including Expedia, hotels.com, Vrbo, Orbitz, and Travelocity.

- Hosted Travel Writers Steve Ahillen and Linda Lange with the Knoxville News Sentinel (Circ. 875,680), with articles expected this fall and timed with Razorback Football.

- Hosted KC based travel influencer Every Day Outdoor Family to showcase Fayetteville as a family-friendly getaway from KC. Content saw strong engagement with +100k views and ~550 shares.

- Mobile Visitors Center:
    - Vanny and staff attended the *NWA Pride Festival*, engaging with promotors estimated 50,000 attendees and over 100 vendors.

- Verb's Paid Media efforts in June drove a 14% increase month over month for visits to the website, with an increased interest in Food & Drink driving 3k more visits than in May. Our 2026 Pride Campaign ran throughout the month, pulling in 8.2k website visits.

- From Zartico, we continue to see Texas as big driver with 34% of visitors coming from Dallas, Houston, or Austin compared to 13% this time last year. Out-of-state visitors accounted for 76% of total visits, with 48% of all visitor spend going to Food & Beverage.

- PR efforts in June included communication support for Fayetteville's A250 efforts, including television coverage on KNWA featuring Ryan and Elvis to promote the celebration. June also focused on strategic media outreach for PRIDE, resulting in hosting three travel writers with customized itineraries showcasing the city's inclusive community. June's efforts generated 33 press mentions with 1,113.5M audience reach and Total AVE of $2.7M.

- ExperienceFayetteville.com received approximately 113,000 sessions this month, up 6% from May and up 56% compared to June of last year.
  - New Visitors made up 85% of all sessions and Paid Social led to the largest portion of traffic at 28%, followed closely by Organic Search at 27%. The top user locations were Fayetteville, Springdale, and Dallas, and almost 3/4 of all sessions took place on mobile devices.
  - The Favoriteville landing page was the top viewed page this month, followed by the Calendar, Home page, and NWA Pride article. One of the top referral sources this month was america250.org, and the top outbound link was the Firefly Fling page on the BGO website.
  - The NWA Pride article was the top page that showed up in generative AI search results this month.

- **Website Performance Report | June – Pixel Perfect**
- **Paid, Earned, and Social Media Report | June – VERB**
- **PRIDE Campaign Report | June - VERB**
- **Media Report | June – AM Group**

Hotel, Motel Restaurant, Bars & Attraction News:

- **Dempsey Bakery** has opened in south Fayetteville
- **Chipotle has opened in West Fayetteville**
- **South by Northwest Hospitality** taking over management of The Leroy
- **Fresh Monkee** to expand to Arkansas with a location at 3761 Mall Ave., to open TBD

Memo

To: Ryan Hauck, CEO, Experience Fayetteville
Fayetteville Advertising & Promotion Commissioners

From: Gretchen Hunt, Director of Finance, Experience Fayetteville

Date: July 15, 2026

Re: Financial Statements – June 2026

This packet contains Experience Fayetteville Financial Statements for the month ended June 30, 2026.

This month, we are presenting financial statements with an updated format. These revisions were made in consultation with our CEO and Chairperson Moya and incorporate the feedback received from the Commission.

You will notice that the revised Profit and Loss Statement, renamed the Statement of Financial Performance, has been restructured to present the financial activity of the organization on one page. The section outlined in red contains the appropriated budget. The subsequent section, titled **Net Surplus/(Deficit)**, incorporates all remaining financial activity to provide a complete view of the organization's overall financial performance. The Balance Sheet remains unchanged.

For June, the statements reflect a net operating surplus of **$115,512**. After accounting for depreciation and other non-operating financial activity, the organization reports an overall deficit of **($74,494)** for the month.

The following reports are included in the packet:

- Statement of Financial Performance for month ended June 30, 2026
- Balance Sheet for month ended June 30, 2026

Total Revenue YTD: $ 3,058,885 or 47% of budget

Tax Receipts - $2,689,602 or 49%

Town Center - $316,230 or 37%

Other - $57,151

Total Operating Expenditure YTD: $2,943,373 or 45% of budget

EF Main - $2,438,278

Town Center - $505,094

FAYETTEVILLE ADVERTISING & PROMOTION COMMISSION
2026 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

AS OF JUNE 30, 2026 - MODIFIED ACCRUAL

APPROPRIATED BUDGET TO ACTUAL

REVENUES	2026 ACTUAL	FY2026 BUDGET	Over/(Under)	% of Budget
EF - GRANT REVENUE (DS ART COURT)	$ -	$ 81,800.00	$ (81,800.00)	0%
EF - VISITOR CENTER REVENUE	$ 12,106.56	$ 44,000.00	$ (31,893.44)	28%
EF - HMR TAXES	$ 2,689,601.83	$ 5,466,542.00	$ (2,776,940.17)	49%
EF - INTEREST	$ 40,946.63	$ 50,000.00	$ (9,053.37)	82%
TC - EVENT REVENUE	$ 302,077.95	$ 793,500.00	$ (491,422.05)	38%
TC - PARKING REVENUE	$ 14,122.77	$ 58,000.00	$ (43,877.23)	24%
TC - INTEREST	$ 29.30	$ 100.00	$ (70.70)	29%
TOTAL REVENUE	**$ 3,058,885.04**	**$ 6,493,942.00**	**$ (3,435,056.96)**	**47%**

EXPENDITURES - EF	2026 ACTUAL	FY2026 BUDGET	Over/(Under)	% of Budget
EF - ADVERTISING	$ 404,061.55	$ 947,830.00	$ (543,768.45)	43%
EF - PUBLICATIONS /PROMOTIONS	$ 39,686.54	$ 107,805.00	$ (68,118.46)	37%
EF - TECHNOLOGY	$ 70,474.44	$ 154,226.00	$ (83,751.56)	46%
EF - RESEARCH	$ 55,036.32	$ 54,750.00	$ 286.32	101%
EF - PUBLIC RELATIONS	$ 79,027.66	$ 154,800.00	$ (75,772.34)	51%
EF - TRADE / TRAVEL SHOWS	$ 50,689.11	$ 105,074.00	$ (54,384.89)	48%
EF - MEETINGS / CONFERENCES	$ 41,949.12	$ 110,620.00	$ (68,670.88)	38%
EF - INQUIRY RESPONSE	$ 8,014.94	$ 16,400.00	$ (8,385.06)	49%
EF - ASSOCIATIONS	$ 26,673.35	$ 41,907.00	$ (15,233.65)	64%
EF - PARTNERSHIPS	$ 201,547.85	$ 381,700.00	$ (180,152.15)	53%
EF - CONTINGENCIES	$ -	$ 10,000.00	$ (10,000.00)	0%
EF - PERSONNEL	$ 564,118.36	$ 1,240,875.46	$ (676,757.10)	45%
EF - OFFICE / BOARD EXPENSES	$ 9,207.36	$ 9,700.00	$ (492.64)	95%
EF - ACCOUNTING / LEGAL FEES	$ 51,164.21	$ 65,900.00	$ (14,735.79)	78%
EF - HMR COLLECTION FEES	$ 53,792.03	$ 109,339.62	$ (55,547.59)	49%
EF - INSURANCE	$ -	$ 40,400.00	$ (40,400.00)	0%
EF - UTILITIES	$ 14,857.92	$ 32,280.00	$ (17,422.08)	46%
EF - FACILITIES	$ 17,761.61	$ 48,000.00	$ (30,238.39)	37%
EF - EMPLOYEE RELATIONS	$ 2,670.71	$ 8,900.00	$ (6,229.29)	30%
EF - VISITOR CENTER	$ 9,326.76	$ 40,575.00	$ (31,248.24)	23%
EF - COMMUNITY FUNDING (T2,DS ART COURT)	$ 202,093.00	$ 281,800.00	$ (79,707.00)	72%
EF - COMMUNITY EVENT INCENTIVES / FAVORITEVILLE	$ 79,450.00	$ 150,840.00	$ (71,390.00)	53%
EF - WALKER STONE HOUSE	$ 4,275.46	$ 22,500.00	$ (18,224.54)	19%
EF - OTHER (BONDS, RESERVES)	$ 348,900.00	$ 820,500.00	$ (471,600.00)	43%
DFC - COMMUNITY EVENTS	$ 26,500.00	$ 44,000.00	$ (17,500.00)	60%
DFC - SUPPORT	$ 76,999.98	$ 159,500.00	$ (82,500.02)	48%
EXPENDITURES - TC				
TC - DIRECT VENUE EXPENDITURES	$ 29,670.85	$ 129,000.00	$ (99,329.15)	23%
TC - PERSONNEL	$ 324,986.11	$ 855,383.92	$ (530,397.81)	38%
TC - OFFICE EXPENSES	$ 4,604.83	$ 8,825.00	$ (4,220.17)	52%
TC - ACCOUNTING / LEGAL	$ 4,863.90	$ 16,411.00	$ (11,547.10)	30%
TC - MARKETING / ADVERTISING	$ 260.63	$ 22,500.00	$ (22,239.37)	1%
TC - TECHNOLOGY	$ 14,883.87	$ 15,750.00	$ (866.13)	95%
TC - MEETINGS / CONFERENCES	$ 1,124.86	$ 15,000.00	$ (13,875.14)	7%
TC - ASSOCIATIONS	$ 500.00	$ 2,000.00	$ (1,500.00)	25%
TC - INSURANCE	$ -	$ 9,500.00	$ (9,500.00)	0%
TC - RENT	$ 23,241.75	$ 39,850.00	$ (16,608.25)	58%
TC- UTILITIES	$ 50,651.84	$ 90,000.00	$ (39,348.16)	56%
TC - FACILITIES	$ 50,091.75	$ 127,500.00	$ (77,408.25)	39%
TC - EMPLOYEE RELATIONS	$ 213.84	$ 2,000.00	$ (1,786.16)	11%
TOTAL EXPENDITURES	**$ 2,943,372.51**	**$ 6,493,942.00**	**$ (3,550,569.49)**	**45%**
NET OPERATING SURPLUS / (DEFICIT)	**$ 115,512.53**	**$ -**	**$ 115,512.53**	
CAPITAL EXPENSES				
EF - CAPITAL EXPENDITURES	$ 80,945.00	$ 70,000.00	$ 10,945.00	116%
TC - CAPITAL EXPENDITURES	$ -	$ 170,000.00	$ (170,000.00)	0%
TOTAL EXPENDITURES	**$ 80,945.00**	**$ 240,000.00**	**$ (159,055.00)**	**34%**

NET SURPLUS/(DEFICIT)

OTHER REVENUE				
MISC OTHER REVENUE	$ 4,097.78	$ -	$ 4,097.78	
UNREALIZED GAIN/(LOSS) ON COF INVESTMENTS	$ 64,885.21	$ -	$ 64,885.21	
TOTAL OTHER REVENUE	**$ 68,982.99**	**$ -**	**$ 68,982.99**	
OTHER EXPENSES				
DEPRECIATION	$ 177,044.52	$ 150,000.00	$ 27,044.52	118%
CYCLOCROSS	$ 1,000.00	$ -	$ 1,000.00	
TOTAL OTHER EXPENSES	**$ 178,044.52**	**$ 150,000.00**	**$ 28,044.52**	
NET SURPLUS/(DEFICIT)	**$ (74,494.00)**	**$ (390,000.00)**	**$ 315,506.00**	**19%**

Fayetteville A&P Commission
Balance Sheet
As of June, 2026

ASSETS			
Current Assets			
Cash			2,713,512
Investments			2,375,422
Accounts Receivable			796,242
Prepaid Expenses			30,229
Deposits			40,469
Inventory Asset			16,191
Total Current Assets			**5,972,065**
Other Assets			
Capital Assets			
Furniture & Fixtures		454,901	
Equipment		767,716	
EF/CVB Building		940,410	
EF/CVB Land		198,621	
Building Additions		2,761,649	
Walker-Stone House		1,179,152	
Vehicles		122,860	
Construction in Progress		-	
Accumulated Depreciation		(2,115,038)	
Total Other Assets			**4,310,273**
TOTAL ASSETS			**10,282,338**
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable		130,763	
Unearned Revenue		408,421	
Total Liabilities			**539,183**
Long Term Liabilities			
Notes Payable - City of Fayetteville Solar		366,467	
Total Liabilities			**366,466.50**
Equity			
Unreserved Fund Balance		8,405,624	
Operating Reserve		1,000,000	
Capital Reserve		-	
Temporarily Restricted Funds		45,558	
Net Revenue			
Gain/(Loss) on Investments	64,885		
Net Revenue	(139,379)	(74,494)	
Total Equity			**9,376,688**
TOTAL LIABILITIES AND EQUITY			**10,282,338**

EXPERIENCE FAYETTEVILLE

June Collections
(May Activity)

$85,601 + $385,567

Lodging + Restaurant

$47,181

Prior Dues Collected

$518,349

Total HMR Collected

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

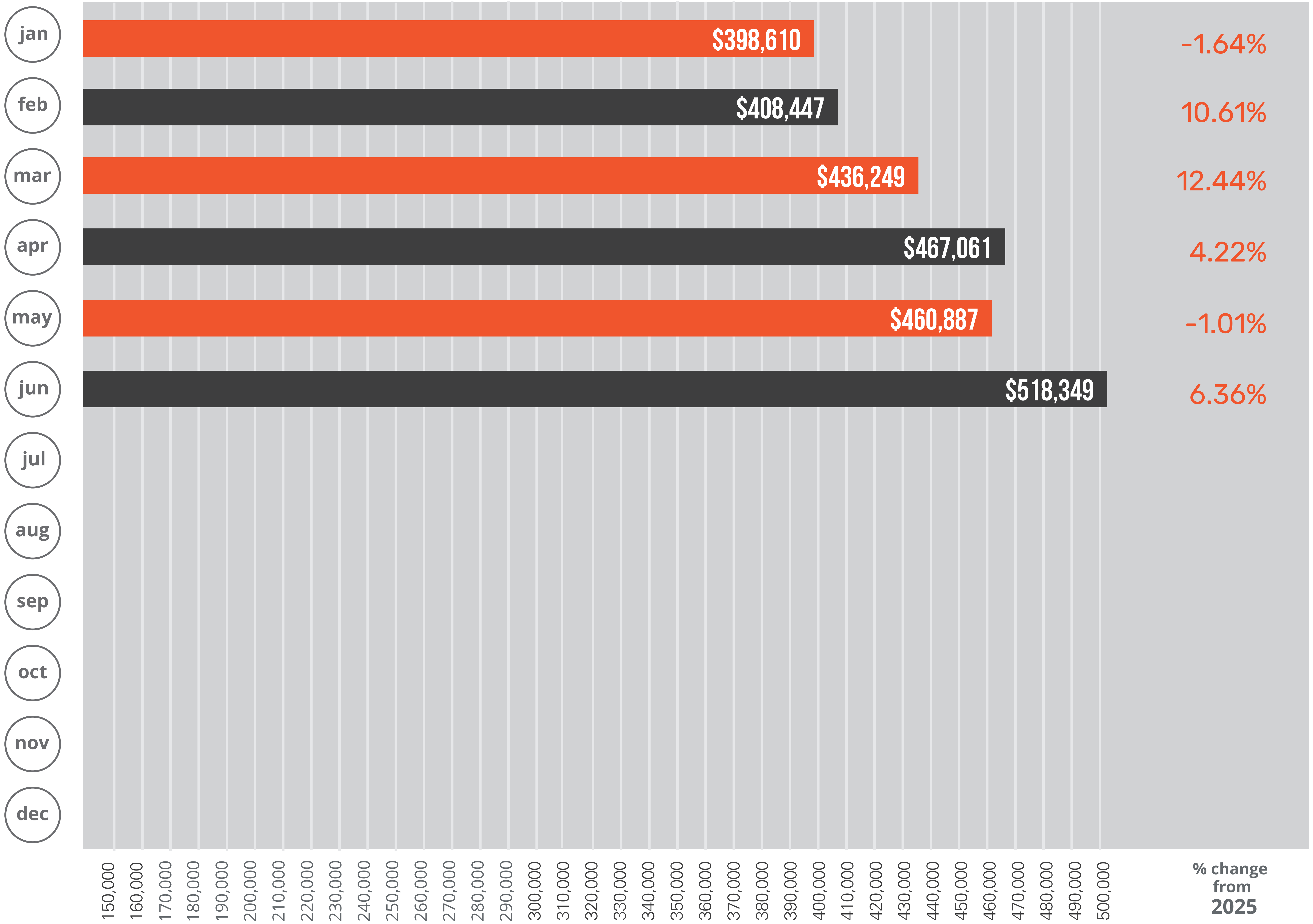
2022	2023	2024	2025	2026
$2,191,465	$2,465,118	$2,502,713	$2,563,566	$2,689,603
19.43%	12.49%	1.53%	2.43%	4.92%

Change over previous year

4.5% PROJECTED BUDGET INCREASE FOR 2026

PRELIMINARY DATA

2026 Monthly A&P Tax Collections**



**This represents half of total HMR tax collections. The other half goes to Fayetteville Department of Parks, Natural Resources, and Cultural Affairs

LODGING REPORT & HMR COLLECTIONS LOOK-BACK

PROPERTIES: 29 ROOMS: 2580 STRs: 581

JUNE 2026

PROPERTIES REPORTED TO STR: 22

OCC %		ADR		RevPAR	
2026	2025	2026	2025	2026	2025
58.4%	61.1%	137.79	130.34	80.43	79.67

YEAR-OVER-YEAR CHANGE

OCC %	ADR	RevPAR
-14.5%	15.7%	0.9%

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2019	275,272	272,171	277,800	329,227	326,877	327,574	318,155	286,219	318,745	338,015	326,466	304,666
2022	329,707	221,174	391,332	376,294	427,716	407,683	382,836	362,232	402,067	467,261	444,905	389,452
2023	381,681	356,843	414,154	435,355	436,973	440,113	411,199	379,564	405,720	461,659	440,250	431,487
2024	382,586	349,739	401,088	446,181	457,025	466,094	419,784	394,928	453,844	476,619	546,090	473,720
2025	405,262	369,258	387,971	448,150	465,579	487,346	449,440	389,269	478,192	457,956	521,500	464,788
2026	398,610	408,447	436,249	467,061	461,581	518,349						

Fayetteville A&P Commission

Transaction Detail by Account

January 1-July 15, 2026

Transaction date	Num	Name	Description	Amount
80000 Local Support				
80100 Community Event Incentives				
01/12/2026	2026-01-12	Roger Barrett	2026 On the Map Spring Show Promotions	2,500.00
01/12/2026	26-14	Committee for Mardi Gras Inc	2026 Mardi Gras Royal Sponsor	750.00
01/24/2026	2026-1	Green Love	Bob Marley Birthday Tribute concert support	1,500.00
01/28/2026	2760	Walton Arts Center	2026 support for Levon Helm gallery exhibition	5,000.00
03/25/2026	1670	NWA Center for Sexual Assault	2026 SHRED Sponsorship	500.00
03/31/2026	2026	Symphony Orchestra of Northwest Arkansas	FY26 SoNA Beyond events	1,500.00
03/31/2026	2026	Fenix Arts - Gallery	Sponsorship & Support for Fenix Arts 2026	1,500.00
04/08/2026	1939	Botanical Garden of the Ozarks	Sponsorship of Chefs in the Garden 2026	5,000.00
04/20/2026	EXPF002	Brain&Brain LLC	OZ Play Event Funding	200.00
04/21/2026	PSBP-2026-001	Prairie Street Live	Prairie Street Block Party 2026 - Supporting Sponsor	2,000.00
05/08/2026	ExperienceFay	Canopy NWA	World Refugee Day Sponsor	500.00
05/15/2026	02/18/2026	Mount Sequoyah Center Inc.	Creative Spaces NWA - Sequoyah Hall Exhibition Series Support	2,500.00
05/25/2026	5/25/2026	Haylee Shull	Pride Poetry Reading on 6/25/2025	500.00
05/26/2026	1	Fayetteville Movement Festival	Sponsorship 2026 Fayetteville Movement Festival	500.00
06/01/2026	5282026	Mount Sequoyah Center Inc.	A250 on the Mountain sponsorship	500.00
06/08/2026	2026	Korey McKelvy	Korey McKelvy Band & Patti Steel Band at George’s Sponsorship	500.00
06/11/2026	0146	Her Set Her Sound	Support For 6th Annual HSHS Festival	3,500.00
06/18/2026	001	Moxy Fayetteville	A250 event: Red, White, and MOXY Incentive Funding	500.00

Fayetteville A&P Commission

Transaction Detail by Account

January 1-July 15, 2026

Transaction date	Num	Name	Description	Amount
06/24/2026	2026-005	Ozark United Football Club	2026 Global Game Fest support	1,000.00
06/24/2026	1038	Darren Sewell	The Rewind (Y2k Pop Party) support	500.00
06/25/2026	CYBTUIGM-0001	Pink Street Management	The Phlegms Summer Show support	500.00
06/25/2026	A250 Jam	The Music Education Initiative	A250Event Support at BC's Blues Shack (Pryor Center)	500.00
Total for 80100 Community Event Incentives				**$31,950.00**
Total for 80000 Local Support with sub-accounts				**$31,950.00**
TOTAL				**$31,950.00**

Memo

To: Fayetteville Advertising & Promotion Commissioners

From: Ryan Hauck, CEO, Experience Fayetteville

Date: July 22, 2026

Re: Favoriteville Festival Fund Proposal Changes and MOU

Background

The Favoriteville Festival Fund application review process changes proposed by Philip Elmore will ensure we conduct this process in accordance to Arkansas Public Meeting Code.

The proposed MOU, also drafted by Philip Elmore serves to outline the accountability, reporting and compliance measures that will be required to meet by the approved applicant in order to receive public advertising and promotion funds.

Requested Commission Action

Staff requests that the Commission approve both the changes to the Favoriteville Festival Fund application review process and the proposed MOU for all future approved applications.

QUATTLEBAUM, GROOMS & TULL PLLC

TO:	**Commissioners, Fayetteville Advertising & Promotion Commission**
FROM:	**Philip A. Elmore, Quattlebaum, Grooms & Tull PLLC**
DATE:	**July 22, 2026**
RE:	**Favoriteville Festival Fund – Updated Application Review Process and Memorandum of Understanding**

MEMORANDUM

This memo is prepared at the request of Amy Stockton, Director of Organizational Services, to briefly explain (1) proposed changes to the Favoriteville Festival Fund application review and scoring process, and (2) the purpose of requiring approved applicants to sign a Memorandum of Understanding ("MOU") with the Commission.

1. Changes to the Application Review Process

Prior Process:

Under the original Favoriteville Fund guidelines, a selection committee made up of two Commissioners and two staff members reviewed and scored each application using a standardized scoring rubric. The committee's recommendations were then presented to the full Commission for final approval.

New Process:

Going forward, the review will work in two steps:

Step 1 — Staff Review. Commission staff will first review each application to confirm that the proposed funding request is consistent with the Commission's mission and the purpose behind the Fund. Applications that do not meet this threshold will not advance.

Step 2 — Commissioner Scoring. If staff approves the application, it is then presented to the full Commission for scoring using the standardized scoring rubric already created for the Commission's consideration during a public hearing. The Commission's approval following that scoring constitutes selection of the applicant for participation in the Fund.

In short, staff handles the initial eligibility check, and the Commissioners handle the substantive evaluation and final decision—in a public setting.

Please note that an applicant has been approved by staff for scoring under this revised process and will be included in the upcoming commission meeting agenda packet. Commissioners will be asked to score that application using the rubric.

2. Purpose of the Memorandum of Understanding

Once the Commission approves a Favoriteville Fund applicant, the applicant (the "Festival Organizer") will be asked to sign an MOU with the Commission before receiving any funding. The MOU is a short agreement that puts the key terms in writing, including:

- How the funding works (margin protection reimbursement of up to 30% of eligible expenses or $30,000, whichever is less, paid only after the event if certain conditions are met);
- What the applicant is responsible for (producing the event, keeping financial records, recognizing Experience Fayetteville sponsors, and meeting accessibility and sustainability standards);
- Reporting requirements (a pre-event plan and a post-event financial report);
- Insurance and compliance obligations; and
- Circumstances under which the agreement can be terminated.

The purpose of the MOU is straightforward: it protects the Commission and the public funds it administers by making sure every approved applicant agrees—up front and in writing—to the accountability, reporting, and compliance measures that come with receiving public advertising and promotion dollars.

Memorandum of Understanding

This Memorandum of Understanding ("MOU") is made and entered into as of [Effective Date], by and between the Fayetteville Advertising & Promotion Commission, d/b/a Experience Fayetteville ("EF" or the "Commission") and ____________________ ("Festival Organizer," and together with EF, the "Parties").

1. Purpose; Background

The purpose of this MOU is to establish the terms and conditions governing Festival Organizer's participation in the Favoriteville Festival Fund (the "Fund"), a program administered by EF to support festivals and events that enrich Fayetteville's cultural life and strengthen the local tourism economy, especially during seasons when visitor activity tends to slow. By offering post-event financial support in the form of margin protection, the program helps mitigate risk for organizers with bold ideas and a strong plan, encouraging innovation and inclusivity in Fayetteville's event landscape. The Favoriteville Festival Fund aligns with the "Bring Out the Best" Imperative of the Experience Fayetteville Master Plan and affirms EF's role as champions of Fayetteville's most vibrant assets. Festival Organizer applied to the Fund and was selected by the Commission, in accordance with the application review and selection process described in Section 1.1 below, to receive margin protection support for the Event described herein.

1.1 Application Review and Selection Process. Applications for the Fund are reviewed in two stages. First, EF staff will review each application to determine whether the proposed funding request complies with the Commission's mission and the purpose of the Fund. If EF staff determines that an application does not comply with the Commission's mission and the purpose of the Fund, the application will not be forwarded for further review. If EF staff determines that an application complies with the Commission's mission and the purpose of the Fund, the application will be presented to the full Commission for scoring using the Fund's standardized scoring rubric during a public hearing, and the Commission's approval of the application following such scoring constitutes selection of Festival Organizer for participation in the Fund.

2. Event Description; Term

2.1 Event. Festival Organizer will produce the following event (the "Event"):
Event Name: ______________________
Event Date(s): ______________________
Event Location: ______________________

2.2 Term. The term of this MOU begins on the Effective Date and continues through [completion date], which shall be no later than sixty (60) days following submission of the post-event reporting requirements set forth in Section 5 below, unless earlier terminated pursuant to this MOU.

3. Margin Protection; Budget; Payment

3.1 Margin Protection Structure**.** This is not a traditional grant or upfront funding program. Instead, the Fund provides margin protection, a form of post-event financial support designed to reduce the risk of hosting bold, high-impact festivals. During the application process, Festival Organizer submitted a projected event budget and established a reasonable profit margin target. After the Event, EF staff will review the actual income and expenses. If the Event does not meet the agreed-upon profit margin, the Festival Fund may reimburse part of the shortfall, up to thirty percent (30%) of eligible expenses or a maximum of Thirty Thousand Dollars ($30,000), whichever is less, to help close the gap.

3.2 Projected Budget. Festival Organizer's application represented the following projected budget for the Event:

Total Projected Budget: $____________
Expected Revenue: $____________
Expected Expenses: $____________
Anticipated Net Profit: $____________
Target Profit Margin: **% or $**

3.3 Margin Protection Request; Maximum Payment. Festival Organizer's margin protection request amount is $____________. The maximum margin protection payment EF may provide under this MOU is the lesser of (i) thirty percent (30%) of eligible expenses, or (ii) Thirty Thousand Dollars ($30,000), or (iii) Festival Organizer's margin protection request amount.

3.4 Eligible Expenses. Eligible expenses are reasonable, documented, and directly related to the production, marketing, permitting, logistics, and operation of the Event, as determined by EF in its reasonable discretion. Eligible expenses do not include costs incurred prior to execution of this MOU or costs unrelated to the Event.

3.5 Payment; Post-Event Reconciliation. Within sixty (60) days after the Event, Festival Organizer will provide EF with the post-event reporting and documentation required by Section 5 below. EF will review the submitted materials and determine the actual profit margin achieved by the Event. If the actual profit margin is below the target profit margin set forth in Section 3.2, EF will calculate the margin protection payment, subject to the maximum limits set forth in Section 3.3. Payment, if any, will be disbursed within thirty (30) days after EF's approval of Festival Organizer's post-event report and supporting documentation.

3.6 Appropriation Contingency. EF's obligations under this MOU are contingent upon funds being appropriated, budgeted, and otherwise made available to EF for such purposes. If sufficient funds are not appropriated or are otherwise unavailable, EF may terminate this MOU upon written notice without further liability, except for payment of properly documented amounts due and owing through the effective date of termination, to the extent of funds duly appropriated and available.

4. Festival Organizer Responsibilities; EF Branding and Recognition

4.1 Event Production. Festival Organizer will plan, organize, permit, and produce the Event; secure all necessary permits, permissions, and approvals from the City of Fayetteville and other relevant authorities; coordinate with public safety; and comply with all applicable local, state, and federal laws, regulations, and ordinances.

(g) Community and cultural impact, including assessment of access and inclusion efforts, sustainability practices implemented, and feedback received.

5.3 Documentation Standards. All financial documentation must be sufficiently detailed to permit EF to verify income and expenses, calculate the actual profit margin, and determine the margin protection payment amount. EF reserves the right to request additional documentation or clarification as reasonably necessary to complete its review.

6. Compliance; Insurance; Risk Management

6.1 Legal Compliance. Each Party will comply with applicable federal, state, and local laws, regulations, and ordinances in connection with activities under this MOU, including accessibility, safety, and nondiscrimination obligations.

6.2 Insurance. Festival Organizer will maintain commercially reasonable insurance for Event activities, including commercial general liability with limits customary for events of this size and scope, and workers' compensation to the extent required by law. Certificates of insurance will be provided to EF upon request. Festival Organizer's coverage will be primary and non-contributory to any insurance maintained by EF.

6.3 Indemnification. To the fullest extent permitted by Arkansas law, Festival Organizer will defend, indemnify, and hold harmless EF, the City of Fayetteville, and their respective commissioners, officers, employees, and agents from and against third-party claims, demands, suits, damages, liabilities, judgments, fines, penalties, losses, costs, and expenses (including reasonable attorneys' fees) to the extent arising out of or related to Festival Organizer's planning, promotion, production, or operation of the Event and activities contemplated by this MOU, except to the extent caused by the gross negligence or willful misconduct of EF.

6.4 Immunities; EF Responsibility. Nothing in this MOU waives, limits, or modifies EF's sovereign or governmental immunities, including under Ark. Const. art. 5, § 20 and Ark. Code Ann. § 21-9-301. EF does not indemnify or agree to defend Festival Organizer.

6.5 Claim Procedures. The indemnitee will promptly notify the indemnifying Party of any claim; failure to provide prompt notice will reduce the indemnity only to the extent of actual prejudice. The indemnifying Party may control the defense with counsel reasonably acceptable to the indemnitee. No settlement that imposes non-monetary obligations on, or admits fault of, the indemnitee may be entered without the indemnitee's written consent, not unreasonably withheld.

6.6 Force Majeure. Neither Party will be liable for delay or failure to perform due to causes beyond its reasonable control, including severe weather, acts of God, public safety orders, governmental actions, labor disputes, or similar events; provided that the affected Party uses reasonable efforts to mitigate and promptly notifies the other Party. The Parties will confer in good faith to adjust event dates, deliverables, or obligations as reasonably practicable. If the Event is cancelled due to force majeure, EF will have no obligation to provide margin protection funding.

7. Records; Public Information

7.1 Records. Festival Organizer will maintain financial and event records related to the Event and EF margin protection funding for at least five (5) years and make such records reasonably available for EF's review upon reasonable notice.

7.2 Freedom of Information Act. EF is subject to the Arkansas Freedom of Information Act and will respond to public records requests in accordance with law. To the extent permitted, EF will endeavor to provide Festival Organizer notice of requests that appear to implicate Festival Organizer's proprietary information. Festival Organizer agrees, however, that to the extent any records implicating Festival Organizer's proprietary information are subject to production under the Arkansas Freedom of Information Act, EF is under an obligation to produce them.

8. Termination; Remedies

8.1 Termination for Convenience. EF may terminate this MOU for convenience upon thirty (30) days' written notice. If terminated for convenience after the Event has occurred and Festival Organizer has complied with the post-event reporting requirements, the Parties will negotiate in good faith regarding any margin protection payment based on the actual financial performance of the Event.

8.2 Termination for Cause. Either Party may terminate for material breach not cured within thirty (30) days after written notice describing the breach in reasonable detail. Material breach by Festival Organizer includes, without limitation, failure to produce the Event, failure to provide required post-event reporting and documentation, material misrepresentation in the application or reporting, or violation of applicable law.

8.3 Effect of Termination. Upon termination, Festival Organizer will cease incurring costs chargeable to EF and provide a final accounting of Event activities and costs incurred. If termination occurs prior to the Event, EF will have no obligation to provide margin protection funding. If termination occurs after the Event due to Festival Organizer's breach, EF may, in its discretion, decline to provide margin protection funding or reduce the payment amount to account for the breach.

9. Miscellaneous

9.1 Independent Contractor. Festival Organizer is an independent contractor. Nothing herein creates a joint venture, partnership, or agency.

9.2 Assignment; Subcontracting. Festival Organizer may not assign this MOU or subcontract material obligations without EF's prior written consent, which will not be unreasonably withheld, conditioned, or delayed. Any permitted assignment or subcontract does not relieve Festival Organizer of responsibility.

9.3 Amendments; No Oral Modifications. This MOU may be amended only by a writing executed by authorized representatives of both Parties. No oral statements modify this MOU.

9.4 Governing Law; Venue; Jury Trial. This MOU is governed by Arkansas law. The exclusive venue for any action arising from or related to this MOU is the state courts of Washington County, Arkansas. Each Party waives trial by jury to the extent permitted by law.

9.5 Notices. Notices must be in writing and delivered by personal delivery, certified mail (return receipt requested), or nationally recognized overnight courier and are effective upon receipt. Notices to the Parties shall be sent to the following addresses:

If to EF:

Fayetteville Advertising & Promotion Commission
d/b/a Experience Fayetteville
Attention: ______________________
Address: ______________________
Email: ______________________

If to Festival Organizer:

Attention: ______________________
Address: ______________________
Email: ______________________

9.6 No Debt; Non-Appropriation; Usury. Nothing herein creates a debt of EF in violation of Ark. Const. art. 12, § 4 or art. 16, § 1. EF's obligations are subject to annual appropriation. Any obligation to pay interest is limited by Arkansas usury law; any amount in excess is reduced to the maximum lawful rate.

9.7 Ethics; Gifts; Conflicts. Festival Organizer will comply with applicable Arkansas ethics, gifts, and illegal exaction laws and represents that no gratuities or kickbacks were offered or provided to secure this MOU. Festival Organizer will disclose any actual or potential conflicts of interest and adopt reasonable mitigation measures acceptable to EF.

9.8 Nondiscrimination. Each Party will comply with applicable nondiscrimination laws. Festival Organizer's programs and activities supported hereunder will be operated without unlawful discrimination, consistent with applicable law.

9.9 Severability; Waiver. If any provision of this MOU is held invalid, the remaining provisions remain in full force and effect. No waiver is effective unless in writing and signed by the waiving Party. No waiver of a breach constitutes a waiver of any other or subsequent breach.

9.10 Counterparts; Electronic Signatures. This MOU may be executed in counterparts, including via electronic signatures and electronic transmission, each of which will be deemed an original and all of which together constitute one instrument.

9.11 No Arbitration; Immunities Preserved. Binding arbitration is not authorized. Nothing herein waives EF's sovereign or governmental immunities or the City of Fayetteville's tort immunity.

10. Entire Agreement

This MOU constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous discussions, proposals, or understandings, whether written or oral, concerning the same subject matter.

[SIGNATURE PAGE FOLLOWS BELOW]

IN WITNESS WHEREOF, the Parties have executed this MOU by their duly authorized representatives as of the Effective Date.

FAYETTEVILLE ADVERTISING & PROMOTION COMMISSION
d/b/a EXPERIENCE FAYETTEVILLE:

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

[FESTIVAL ORGANIZER NAME]

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

Favoriteville Festival Fund

Support When You Need It, Celebration When You Don't.

The Favoriteville Festival Fund is a new initiative designed to support festivals and events that enrich Fayetteville's cultural life and strengthen our local tourism economy—especially during seasons when visitor activity tends to slow. By offering post-event financial support to a small number of high-impact events each year, the program helps mitigate risk for organizers with bold ideas and a strong plan, encouraging innovation and inclusivity in our city's event landscape.

This program supports our **Mission** to *elevate the quality of life for the community of Fayetteville through tourism promotion, partnerships, and programs*.

Aligned with the **"Bring Out the Best" Imperative** of the Experience Fayetteville Master Plan, the Favoriteville Festival Fund affirms our role as champions of Fayetteville's most vibrant assets. By *encouraging and incentivizing signature events* that make Fayetteville shine, this initiative helps fulfill our commitment to enhance what makes our city a compelling, world-class destination.

Priority consideration will be given to events that:

- Occur during slower seasons (e.g., late June – early August, late January–early February) to maximize economic and cultural activation. No blackout dates (to be provided)
- Demonstrate economic impact and financial responsibility
- Celebrate the unique identity and creativity of Fayetteville

How It Works

The Favoriteville Festival Fund is administered through an annual application process. Organizers submit proposals detailing event plans, budget, and community impact. Applications are reviewed using a transparent evaluation framework with the following key criteria:

- Event Viability
- Economic & Cultural Impact
- Financial Responsibility
- Organizer Track Record
- Access & Inclusion
- Seasonal Activation & Blackout Considerations

This is not a traditional grant or upfront funding program. Instead, the Fund provides margin protection – a form of post-event financial support designed to reduce the risk of hosting bold, high-impact festivals.

Favoriteville Festival Fund

Support When You Need It, Celebration When You Don't.

During the application process, organizers will submit a projected event budget and establish a reasonable profit margin target. After the event, staff will review the actual income and expenses. If the event does not meet the agreed-upon profit margin, the Festival Fund may reimburse part of the shortfall **– up to 30% of eligible expenses or a maximum of $30,000 –** to help close the gap.

A selection committee consisting of two Commissioners and two staff members uses a standardized scoring rubric to evaluate submissions. Final recommendations are presented to the Fayetteville Advertising and Promotion Commission for approval. Selected events will be required to execute an MOU and complete post-event reporting procedures.

By lowering financial barriers and encouraging bold, community-focused ideas, the Favoriteville Festival Fund invites new traditions to take root and ensures that Fayetteville continues to grow as a place of connection, creativity, and celebration.

Evaluation Framework

Category	Max Points	Scoring Criteria
Event Viability	20	Clear, well-planned concept, achievable logistics, fits Fayetteville's vibe
Economic & Cultural Impact	20	Anticipated attendance, community activation, community/cultural relevance, mutli-year commitments
Financial Responsibility	20	Detailed and realistic budget, credible revenue expectations, risk assessment included
Organizer Track Record	15	Prior experience with event(s), demonstrated ability to manage logistics and finances
Access & Inclusion Efforts	15	Concrete strategies to welcome underserved groups, accessibility plans, inclusive representation
Seasonal Activation / Blackout Dates	15	Event occurs during slow season (late Jan – early Feb; late June – early Aug), addresses local downtime. Event does not occur during specified blackout dates.
Financial Risk Justification	10	Justified, clear ask; request aligns with identified risks and needs
Sustainability	10	Clear plans to reduce environmental impact through waste reduction, recycling, or other eco-friendly practices.
Bonus (Innovation, Partnerships)	+5	Extra credit for strong community partnerships, unique event concepts, or efforts that fill a gap in Fayetteville's current event landscape.

Category	Max Points	Description	Helpful Hints / Considerations	Reviewer Score	Comments
Event Viability	20	Is the event clearly defined, feasible, and aligned with Fayetteville's cultural and logistical landscape?	*Look for detail, practicality, and alignment with local values or culture.*		
Economic & Cultural Impact	20	Does the event attract visitors and/or locals, generate cultural activity, and align with community values? Is there a measurable economic impact with attendance, muti year commitments, etc.?	*Does it drive overnight stays, benefit local businesses, or feature local artists?*		
Financial Responsibility	20	Are the budget and financial plan realistic? Do they show sound projections and risk assessment?	*Check for itemized budgets, credible revenue sources, and clear use of margin protection.*		
Organizer Track Record	15	Does the applicant or team have relevant experience managing events, finances, and logistics?	*Look for event history, references, or prior examples of successful execution.*		
Access & Inclusion Efforts	15	Does the event include intentional outreach and accommodations for underserved or marginalized populations?	*Note sliding scale pricing, accessible venues, language inclusivity, and ADA compliance.*		
Seasonal Activation	15	Does the event occur during traditionally slow tourism seasons (e.g., late Jun-early Aug or late Jan-early Feb)? Event must not occur during specified blackout dates.	*Is the timing helping to fill a gap in the calendar or energizing a typically quiet season?*		
Margin Protection Justification	10	Is the margin protection request reasonable and directly tied to specific financial risks or needs?	*Do they understand and communicate how the funding mitigates risk effectively?*		
Bonus (Innovation, Partnerships, Sustainability)	5	Extra credit for innovative formats, sustainability practices, and local collaborations or partnerships.	*Examples: green practices, co-hosting with local orgs, bilingual signage, fresh formats.*		
Totals	**120**			**0**	

Festival Fund Application

APPLICANT INFORMATION

Name:
Organization:
Address:
Phone:
Email:
Website (if applicable):

EVENT OVERVIEW

Event Name
Event Date(s)
Location (Venue & Address)
Estimated Attendance (Total & Breakdown by Local/Visitor)
Event Description: (Provide a 3–5 sentence summary of your event, its mission, target audience, and notable activities or headliners.)

FINANCIAL SUMMARY

Total Projected Budget: $
Expected Revenue (itemize major sources): $
Expected Expenses (itemize major categories): $
Anticipated Net Profit/Loss: $
Margin Protection Request: Amount Requested: $
Describe how margin protection will be used and what specific outcomes it will guarantee. Would the event occur without this protection? Why or why not?

RISK ASSESSMENT & CONTINGENCY PLANNING

(List 3–5 key risks to your event's success and what steps you are taking to mitigate them.)

ORGANIZER EXPERIENCE & PAST PERFORMANCE

(Highlight your event or team's relevant experience. Attach resumes or bios and any available financials from previous years/events.)

ECONOMIC & COMMUNITY IMPACT

Estimated hotel room nights generated:

Estimated spend at local restaurants/retail:

Cultural or social benefits to Fayetteville:

ACCESS & INCLUSION

(Describe how your event is intentionally welcoming to all audiences, especially underserved or underrepresented communities.)

SEASONALITY & TIMING

(Explain how your event adds energy to Fayetteville's quieter periods.)

SUPPORTING DOCUMENTS

- [x] Detailed Event Budget
- [x] Marketing/PR Plan (2 page max)
- [x] Historical Financials or Prior P&L (if applicable)

DECLARATION

I declare that all information provided is true and complete.

Signature: ______________________________

Date: __________________________________

Name: Freak Show Day Fest
Organization: NWA CAMP
Address: 700 union dr
Phone: 908 381 4677
Email: nwacampp@gmail.com
Website (if applicable):

https://freakshowdayfest.wixsite.com/fayetteville

Event Overview

Event Name: Freak Show Day Fest
Event Date(s): 10/23-10/25 2026
Location (Venue & Address): centennial park, Fayetteville AR
Estimated Attendance (Total & Breakdown by Local/Visitor): 500 a quarter of which tends to be out of town. We have limited our capacity in previous years as we didn't have the budget for a large security team. this funding will help create more opportunities for us to gow in all areas.

Event Description: With 12 hours of live performances each day and primitive camping under the stars, Freak Show is the first of its kind in Fayetteville. We welcome people from all walks of life, feature music from all genres, and seek to create a community, impact, and connection through this shared experience. Freak Fest is a celebration of self-expression, collective creativity, and celebrating all things alternative or other and the beautiful chaos that happens when we bring these underground ideals to the mainstream.

Live Art & Interactive Installations

Side Show Performers & Circus Acts

Vendors & Makers Market

Workshops

Movement Sessions

Healing Spaces

Live Music Across Genres

Oddities & Curiosities

Fire Performers

LED Shows

Late-Night DJ Sets

Live Bands

Drag

Burlesque

Circus acts

Short Film Screenings

Silent Disco

Financial Summary

Total Projected Budget: Hoping to get 15,000 in funding to make this happen on a larger scale this year. Currently have a commitment of $2,000. Need a minimum of $5k.
Expected Revenue (itemize major sources): This will be our fourth year. I have listed the revenue previous years.

Year 1: $789.61
Year 2: $3395.10
Year 3: $4995.24
Year 4: projected $7,500

Expected Expenses (itemize major categories): this is based on quotes from vendors and partners of the show. can be downsized and scaled based on budget

Lighting equipment and tech: 2000 (can scale to 1500 for most basic option)
Sound equipment and tech 4000 (found a secondary option for 1500 will only scale 500ppl or less)
Staging and infrastructure 4000 (most basic option, may require roofing)
medical and security 1000 (cannot reduce)
Art, Decor, Community engagement and resources: 2500 (provided by organizer and inhouse funding)
insurance 500 (provided by organizer)
Portopotty and Trash 2000 (can scale based on size, this is for 500 attendees)
Misc production: 500
Anticipated Net Profit/Loss: no anticipated profit or loss

Margin Protection Amount Requested: 10,000.00

Describe how margin protection will be used and what specific outcomes it will guarantee. Would the event occur without this protection? Why or why not?: Margin protection funding will be used to cover the gap between our confirmed funding and the total event budget, ensuring the event can proceed at the quality and scale envisioned. Our projected costs are between $10,000 and $15,000 mainly due to the fact that we are location to Centennial Park in Fayetteville. We have secured $2,000 and anticipate sourcing an additional $3,000, and are requesting margin protection to cover the remaining funding gap. This support will enable us to provide adequate security, improve production quality, fairly compensate higher-profile artists, and commission larger-scale art installations that enhance the audience experience. Without this protection, the event would either need to be significantly scaled back or may not be financially viable limiting to us potentially putting on a one day concert in a venue, limiting both its impact and its ability to deliver a safe, high-quality experience for both artists and attendees. The significance of a main stage show being reach for a wider net of demographics in our audience, as well as elevating the marginalized and underserved talent we highlight in our show. Talent that often would not be featured on recognized stages in Fayetteville otherwise.

Risk Assessment & Contingency Planning: The primary risks to the event are funding shortfalls, adverse weather, and increased production or security costs. To mitigate these risks, we are actively pursuing additional sponsorship and funding opportunities such as this one, maintaining contingency budget allocations, and working with reliable suppliers and contractors. Backup artists and programming options will be identified where possible, and event infrastructure will be scaled appropriately to match available resources if required as in previous years. Comprehensive safety and security planning will be undertaken in consultation with city of Fayetteville park and rec as well as the police department and fire. These measures will help ensure the event can proceed safely and successfully while maintaining a high-quality experience for artists, audiences, and partners. In past years, we have successfully managed budgetary constriction by similarly constricting the size of the event.

Organizer Experience & Past Performance

Highlight your event or team's relevant experience.: Our team has successfully produced the first season of Fayetteville Fashion Week, producing six shows of varying scales over the course of 7 days with no initial budget at all. We have similarly produced dozens of events for Oklahoma Carnival, The Underground Collective of Tulsa, Burning Man, and most locally our curation in concentrated to NWA CAMP (creators, artists, models, and photographers) including model and photographers education programs, runway trainings, art and dance classes, pride events, community dinners, open mics, fashion and large scale music events, as well as providing event coverage and support much more. We have experience in event production, artist coordination and development, sponsorship, and community engagement. This foundation equips us to deliver Freak Show as a high-quality, multidisciplinary event that supports and showcases primarily Northwest Arkansas creatives, while utilizing our connections to creates across the region.

Economic & Community Impact

Estimated hotel room nights generated:: 2
Estimated spend at local restaurants/retail: unclear
Cultural or social benefits to Fayetteville: We are a black, female, and queer led organization creating space for not only the marginalized demographics we fall under and several others. We serve the creative community in Fayetteville by providing a platform, promotion, ad education for local artists, musicians, designers, and performers to collaborate and showcase their work. The event encourages cultural participation, supports the local creative economy, attracts visitors, and contributes to Fayetteville's reputation as a vibrant destination for arts and culture.

Access & Inclusion

Describe how your event is intentionally welcoming to all audiences, especially underserved or underrepresented communities.: This really is in the name and everything we do. Just by hosting the event we ensure the space is representative of diverse talent, because we ourselves are that. From the coordination team to the performers (many of which overlap) we put our limited money where our mouth is. Freak Show is designed to be an inclusive, community driven event that prioritizes accessibility and representation. We intentionally seek out, develop, and feature diverse artists and performers, create opportunities for emerging and underrepresented creatives, and strive to keep the event affordable and welcoming to people of all backgrounds. By fostering collaboration across artistic disciplines, we aim to create a space where everyone feels seen, valued, and encouraged to participate. We also go the extra mile to curate interactive experiences where the audience can truly see themselves on stage , because several times throughout the show, they are. Hands on learning and interactive art ensure that audiences an get a taste of all of the magic we put on stage for themselves. There is no clear blue print for up and coming artists in our area. From fosters or discovering a unique talent to touring that talent around the country, we are that starting point. Another huge and unique aspect of the event is the affordability and accessibility of camping. By creating these experiences WITHIN Fayetteville, we are able to foster opportunities for the urban populations we typically attract to reclaim their connection with nature and the outdoors. Our open air experiences are for some, the first time they get into the woods, camp, or explore our cities elaborate trails. Finally, there are no strangers, outsiders, or others at or in the Freak Show. We chose this name with purpose. To reclaim for ourselves the concept of being other or different, and brand in an a way that in positive. We love what makes us different, and we call our attendees and artists to fall in love with their differences too. This is not a space where underserved communities will be tolerated, this was a space created solely with them in mind.

Seasonality & Timing

Explain how your event adds energy to Fayetteville's quieter periods.: Freak Show is planned during a quieter period of the year to bring new energy and activity to Fayetteville. By attracting residents and visitors to a unique arts and culture event, it increases foot traffic for local small businesses, creates opportunities for local artists, and helps activate the city outside of its peak event seasons. We also do events year round with this being our largest.

Supporting Documents

Detailed Event Budget: 6a591f3ab09ba-Untitled document.pdf
Marketing/PR Plan (2-page max): 6a591f3ab1bbf-Untitled document (2).pdf
Historical Financials or Prior P&L (if applicable): 6a591f3ab2298-Untitled document (1).pdf

Declaration

I declare that all information provided is true and complete.
Signature: Jacqueline McKinney
Date: 07/16/26

Freak Show Act Four at Centennial Budget

Budget Item	**Estimated Cost**	**Notes**
Lighting Equipment & Technician	$2,000	Can be reduced to **$1,500** for a basic production package.
Sound Equipment & Audio Technician	$4,000	Alternative system available for **$1,500**, suitable for events up to approximately **500 attendees**.
Stage & Infrastructure	$4,000	Basic stage package; additional roofing may be required depending on weather and venue requirements.
Medical Services & Security	$1,000	Fixed cost required for public safety; cannot be reduced.
Art Installations, Décor, Community Engagement & Resources	$2,500	Covered through organizer contributions and in-house funding.
Event Insurance	$500	Covered by the organizer.
Portable Restrooms & Waste Management	$2,000	Based on approximately **500 attendees**; scalable depending on attendance.
Miscellaneous Production Expenses	$500	Signage, supplies, volunteer support, contingency production needs.

YEAR 1 BREAKDOWN
Gross sales
$4,995.24
Eventbrite fees
$456.06
Net sales
$4,539.18
Online sales
$4,539.18
Offline sales (not inc. in your payout)
$0.00
Manual sales (not inc. in your payout)
$0.00

YEAR 2 BREAKDOWN
Gross sales
$3,395.10
Eventbrite fees
$516.17
Net sales
$2,878.93
Online sales
$2,878.93
Offline sales (not inc. in your payout)
$0.00
Manual sales (not inc. in your payout)
$0.00

YEAR 3 BREAKDOWN
Gross sales
$784.61
Eventbrite fees
$128.61
Net sales
$656.00
Online sales
$656.00
Offline sales (not inc. in your payout)
$0.00

Marketing & PR Strategy

Primary Objectives

- Position Freak Show Day Fest as the premier alternative festival in the region.
- Build a year-round community, not just a one-day event. In NWA & Surrounding areas
- Grow our traveling show to have shows of this scale in other major cities in the region

Brand Pillars

- Independent
- Authentic
- High energy
- Inclusive & Alternative

Target Audience

Primary

18–55

- Hip-Hop & RnB
- EDM
- Horror fans
- Tattoo community
- Festival-goers
- Overnight Campers

Secondary

- College students
- Local creatives
- Influencers
- Fashion community
- Skate culture
- Gamers
- Comic/Horror community
- Local music Fans
- Hippies

6 Months Out

- Logo reveal

- Save the Date
- Teaser video
- Website update
- Ticket launch
- Social media blasts

3 months

- Individual poster
- Reel
- TikTok
- Spotify playlist addition
- Artist interview clip
- Tattoos
- Festival outfits
- Band merch
- DIY art
- Makeup looks and cosplay

Influencer Campaign

- Tattoo artists
- Alternative models
- Music creators
- Horror creators
- Festival creators
- Local radio personalities
- Vendor reveals Food reveals
- Meet the crew
- Throwback videos
- Fan testimonials

Event Day Content Plan

Content team responsibilities:

- Live Instagram Stories every hour
- TikTok uploads throughout the day
- Drone footage
- Artist interviews
- Fan reactions
- Sponsor activations
- Crowd highlights
- Professional photo galleries
- Same-night recap reel

Memo

To:	Ryan Hauck, CEO, Experience Fayetteville Fayetteville Advertising & Promotion Commissioners
From:	Gretchen Hunt, Director of Finance, Experience Fayetteville
Date:	July 15, 2026
Re:	Presentation of the 2025 Audit Report

The Fayetteville A&P Commission engaged the audit firm Forvis Mazars to perform an annual financial audit for the fiscal year ending December 31, 2025. This audit work was completed in Spring 2026, and the final audit report and financial report is now available for review and publication.

Forvis Director Cynthia Burns will present the 2025 auditor's report. The completed 2025 Independent Auditor's Report, Financial Statements, and Management Letter are attached for reference.

Fayetteville Advertising and Promotion Commission A Component Unit of the City of Fayetteville, Arkansas

Independent Auditor's Reports and Financial Statements – Regulatory Modified Accrual Basis

December 31, 2025 and 2024

Fayetteville Advertising and Promotion Commission
A Component Unit of the City of Fayetteville, Arkansas
Contents
December 31, 2025 and 2024

Forvis Mazars, LLP
5115 W. JB Hunt Drive
Rogers, AR 72758
P 479.845.0270 | F 479.845.0840
forvismazars.us

Independent Auditor's Report

Board of Commissioners
Fayetteville Advertising and Promotion Commission
Fayetteville, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Fayetteville Advertising and Promotion Commission (Commission), a component unit of the City of Fayetteville, Arkansas, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the statements of assets, liabilities, and fund balance – regulatory modified accrual basis of the Commission as of December 31, 2025 and 2024, and its respective statements of revenues, expenditures, and the changes in fund balance and budgetary results – regulatory modified accrual basis for the years then ended in accordance with the reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2025 and 2024, or changes in fund balance thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Commission on the basis of accounting practices prescribed or permitted by the State of Arkansas (State) to demonstrate compliance with the State's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Arkansas. The effects on the financial statements of the variances between the regulatory modified accrual basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of A.C.A. § 10-4-412, as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Rogers, Arkansas
June 29, 2026

Fayetteville Advertising and Promotion Commission
A Component Unit of the City of Fayetteville, Arkansas
Statements of Assets, Liabilities, and Fund Balance – Regulatory Modified Accrual Basis
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 3,568,247	$ 3,831,021
Investments	1,708,410	1,714,446
Accounts receivable	87,376	160,656
Deposits	40,838	40,838
Inventory	13,159	21,449
Prepaid expense	120,864	44,837
Capital assets		
Buildings	4,881,211	3,964,099
Furniture and fixtures	454,902	300,660
Land	198,621	198,621
Office equipment	767,716	761,581
Vehicles	122,860	122,860
Construction in progress	-	456,456
Less accumulated depreciation	(1,937,457)	(1,745,399)
Total Assets	$ 10,026,747	$ 9,872,125
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 91,068	$ 195,285
Accrued expenses	27,162	481
Unearned revenue	52,946	106,340
Accrued payroll	38,625	34,178
Due to primary government (City of Fayetteville)	366,467	386,826
Total Liabilities	576,268	723,110
Fund Balance		
Unassigned	9,371,077	9,079,724
Restricted	79,402	69,291
Total Fund Balance	9,450,479	9,149,015
Total Liabilities and Fund Balance	$ 10,026,747	$ 9,872,125

Fayetteville Advertising and Promotion Commission
A Component Unit of the City of Fayetteville, Arkansas
Statements of Revenues, Expenditures, and Changes in Fund Balance –
Regulatory Modified Accrual Basis
Years Ended December 31, 2025 and 2024

	2025	2024
Revenues		
Hotel, motel, and restaurant taxes	$ 5,324,711	$ 5,267,699
Rental income	813,143	750,814
Visitors center store	26,656	34,746
Parking income	58,639	57,666
Investment income, net	88,608	139,760
Grant income	80,800	80,966
Event income	243,813	193,399
Total Revenues	6,636,370	6,525,050
Expenditures		
Advertising	955,143	725,512
Automobile expense	-	5,000
Bank charges	9,284	9,242
Bond payments	697,800	697,800
Collection expense	106,494	105,354
Contract labor	130,130	145,655
Convention development	469,114	577,295
Depreciation	357,583	243,610
Dues and subscriptions	47,541	33,269
Employee benefits	63,666	66,778
Insurance	217,982	196,266
Miscellaneous	262,934	135,480
Office supplies and printing	33,165	28,190
Payroll taxes	114,183	114,999
Postage	373	7,320
Professional services	71,955	33,226
Rent	23,896	20,706
Repairs and maintenance	149,413	212,027
Salaries and wages	1,551,194	1,504,728
Special projects and events	851,869	699,050
Taxes and licenses	7,254	10,110
Training and meetings	48,828	65,366
Utilities	114,067	129,982
Visitor center store expense	29,491	25,449
Loss on capital asset disposal	21,547	-
Total Expenditures	6,334,906	5,792,414
Change in Fund Balance	301,464	732,636
Fund Balance		
Beginning of year	9,149,015	8,416,379
End of year	$ 9,450,479	$ 9,149,015

Fayetteville Advertising and Promotion Commission
A Component Unit of the City of Fayetteville, Arkansas
Statements of Revenues and Expenditures – Regulatory Modified Accrual Basis – Budget to Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Hotel, motel, and restaurant taxes	$ 5,231,140	$ 5,231,140	$ 5,324,711	$ 93,571
Rental income	650,500	650,500	813,143	162,643
Visitors center store	30,000	30,000	26,656	(3,344)
Parking income	48,000	48,000	58,639	10,639
Investment income, net	50,100	50,100	88,608	38,508
Grant income	81,000	81,000	80,800	(200)
Event income	182,200	182,200	243,813	61,613
Total Revenues	6,272,940	6,272,940	6,636,370	363,430
Expenditures				
Advertising	1,021,720	1,021,720	955,143	66,577
Automobile expense	3,500	3,500	-	3,500
Bank charges	7,900	7,900	9,284	(1,384)
Bond payments	702,000	702,000	697,800	4,200
Collection expense	104,623	104,623	106,494	(1,871)
Contract labor	135,000	135,000	130,130	4,870
Convention development	460,205	460,205	469,114	(8,909)
Depreciation	-	-	357,583	(357,583)
Dues and subscriptions	32,105	32,105	47,541	(15,436)
Employee benefits	78,429	78,429	63,666	14,763
Insurance	233,100	233,100	217,982	15,118
Miscellaneous	281,410	267,551	226,590	40,961
Office supplies and printing	48,970	38,770	33,165	5,605
Payroll taxes	131,594	131,594	114,183	17,411
Postage	1,500	1,500	373	1,127
Professional services	67,220	67,220	71,955	(4,735)
Rent	21,000	21,000	23,896	(2,896)
Repairs and maintenance	186,961	186,961	185,757	1,204
Salaries and wages	1,677,444	1,677,444	1,551,194	126,250
Special projects and events	854,425	854,425	851,869	2,556
Taxes and licenses	10,750	10,750	7,254	3,496
Training and meetings	62,175	62,175	48,828	13,347
Utilities	119,500	119,500	114,067	5,433
Visitor center store expense	27,750	27,750	29,491	(1,741)
Loss on capital asset disposal	-	-	21,547	(21,547)
Total Expenditures	6,269,281	6,245,222	6,334,906	(89,684)
Change in Fund Balance	$ 3,659	$ 27,718	$ 301,464	$ 453,114

Fayetteville Advertising and Promotion Commission
A Component Unit of the City of Fayetteville, Arkansas
Statements of Revenues and Expenditures – Regulatory Modified Accrual Basis – Budget to Actual
Year Ended December 31, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Hotel, motel, and restaurant taxes	$ 5,208,000	$ 5,031,000	$ 5,267,699	$ 236,699
Rental income	587,340	605,255	750,814	145,559
Visitors center store	46,500	46,500	34,746	(11,754)
Parking income	27,000	35,000	57,666	22,666
Investment income, net	25,100	55,100	139,760	84,660
Grant income	85,000	85,000	80,966	(4,034)
Event income	188,500	189,000	193,399	4,399
Total Revenues	6,167,440	6,046,855	6,525,050	478,195
Expenditures				
Advertising	787,212	719,892	725,512	(5,620)
Automobile expense	5,000	5,000	5,000	-
Bank charges	6,200	6,200	9,242	(3,042)
Bond payments	700,000	700,000	697,800	2,200
Collection expense	104,160	99,730	105,354	(5,624)
Contract labor	126,545	127,050	145,655	(18,605)
Convention development	699,105	679,150	577,295	101,855
Depreciation	-	-	243,610	(243,610)
Dues and subscriptions	41,129	41,129	33,269	7,860
Employee benefits	89,994	84,383	66,778	17,605
Insurance	211,362	210,842	196,266	14,576
Miscellaneous	216,927	230,727	135,480	95,247
Office supplies and printing	42,794	42,794	28,190	14,604
Payroll taxes	123,861	122,624	114,999	7,625
Postage	14,525	12,025	7,320	4,705
Professional services	37,500	37,500	33,226	4,274
Rent	22,706	20,706	20,706	-
Repairs and maintenance	210,700	200,700	212,027	(11,327)
Salaries and wages	1,578,557	1,556,037	1,504,728	51,309
Special projects and events	867,550	856,100	699,050	157,050
Taxes and licenses	10,300	10,300	10,110	190
Training and meetings	70,425	61,425	65,366	(3,941)
Utilities	178,800	178,800	129,982	48,818
Visitor center store expense	53,619	53,619	25,449	28,170
Loss on capital asset disposal	-	-	-	-
Total Expenditures	6,198,971	6,056,733	5,792,414	264,319
Change in Fund Balance	$ (31,531)	$ (9,878)	$ 732,636	$ 742,514

Note 1. Nature of Operations and Summary of Significant Accounting Policies

The financial statements are presented in accordance with the regulatory modified accrual basis of presentation as prescribed by Arkansas state law. The Fayetteville Advertising and Promotion Commission (Commission) maintains its records on a regulatory modified accrual basis of accounting, as described in the "Regulatory Accounting" and "Basis of Accounting and Presentation" sections. The regulatory modified accrual basis of presentation and the regulatory modified accrual basis of accounting differ from accounting principles generally accepted in the United States of America. The significant accounting policies of the Commission are as follows:

Regulatory Accounting

The Arkansas Legislature enacted a law in 2005 that requires municipalities to present their financial statements in a prescribed format and also restricts the basis of accounting for this format to one of three methods. The entity's governing body, however, can adopt a resolution annually to adopt Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB No. 34), as their reporting model in lieu of reporting on this regulatory modified accrual basis established by Arkansas Code 10-4-412. The board of commissioners did not adopt such a resolution for 2025 or 2024.

The regulatory presentation is on a fund basis, with no distinction being made as to the type of funds (Proprietary, Governmental, etc.) being presented. The required financial statements consist of a balance sheet (or statement of assets, liabilities, and fund balance); statement of revenues, expenditures, and changes in fund balance; and statement of revenues and expenditures – budget to actual. The basis of accounting is limited to regulatory cash basis, regulatory modified cash basis, or regulatory modified accrual basis. The Commission has elected to utilize the regulatory modified accrual basis of accounting.

Nature of Operations

The Commission is a component unit of the City of Fayetteville, Arkansas (City), established by Ordinance Number 2310 of the City for the purpose of promoting and advertising Fayetteville and its environs. The Commission is presented in the City's Annual Comprehensive Financial Report as a discretely presented component unit. A board of commissioners consisting of seven members governs the Commission. Four members are owners or managers of hotels, motels, or restaurants and serve for staggered terms of four years. Two members must be members of the governing body of the City, are selected by the City Council, and serve at the will of the City Council. One member is from the public at large and is nominated by the Commission and approved by the City Council. All members must reside in Fayetteville. Members are voted on by the existing commissioners and approved by the City Council. The financial statements present only the financial position and results of operations of the Commission and are not intended to present the financial position and results of operations of the City, in conformity with accounting principles generally accepted in the United States of America. Operations of the Commission include the Fayetteville Convention and Visitors Bureau and the Fayetteville Town Center.

Use of Estimates

Management used estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Commission considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2025 and 2024, cash equivalents consisted of money market funds with brokers.

Basis of Accounting and Presentation

The financial statements are prepared on the regulatory modified accrual basis of accounting. As such, revenues are recognized when the underlying exchange takes place and in the accounting period in which the revenue is both measurable and available to finance expenditures of the fiscal period. The Commission considers all tax revenues measurable and available when collected and exchange revenue when the transaction occurs. Expenditures are recorded when the related liability is incurred.

Budgets

The Commission adheres to the following procedures in establishing the budgets reflected in the financial statements:

Prior to December 1, the budget committee proposes an operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Prior to January 1, the Commission legally enacts the budget through approval of the commissioners.

Budgets are adopted on a basis consistent with accounting practices prescribed or permitted by the State of Arkansas, which practices differ from accounting principles generally accepted in the United States of America.

Budgeted revenues and expenditures represent the formal operating budget adopted by the Commission. Budgetary control is maintained at the operations level. Budgeted amounts not spent by year-end lapse.

Investments

Investments of the Commission represent the portion of a combined investment pool managed by the City allocable to the Commission. Investments include money market mutual funds, U.S. Treasury obligations, corporate bonds, and U.S. government agency obligations. Money market mutual funds, governmental securities, and corporate bonds are recorded at fair market value based on quoted market prices. Income related to investments is recorded when earned. Income earned in the pool is allocated to the various funds and component units weekly. At December 31, 2025 and 2024, the Commission's proportionate share of the investment pool was approximately 0.56% and 0.64%, respectively.

The Commission's portion of investments held by the City amounted to $1,708,410 and $1,714,446 at December 31, 2025 and 2024, respectively, and is held at one financial institution in the name of the City. Approximately 88% and 83% of the pool is invested in direct obligations of the United States of America at December 31, 2025 and 2024, respectively. The remainder is either insured or collateralized.

Accounts Receivable

Accounts receivable consist of amounts due from the Fayetteville Town Center's customers and the City's Parking Department. For the years ended December 31, 2025 and 2024, accounts receivable were deemed fully collectible; therefore, no allowance for doubtful accounts was considered necessary. If accounts become uncollectible, they will be charged to operations when that determination is made. Determination of collectibility is made by management based on knowledge of individual accounts and consideration of such factors as current economic conditions. Accounts are generally uncollateralized. Past-due status is based on contractual terms. Past-due accounts are not charged interest.

Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market. Inventory consists of items for sale in the Commission's gift shop.

Capital Assets

Capital assets are carried at historical cost or acquisition value at date of donation if acquired by gift. The Commission's capitalization policy states that assets with an initial value or cost greater than or equal to $5,000 and an estimated useful life of greater than one year will be capitalized. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 39 years.

Funding

The Commission is funded by a 1% hotel, motel, and restaurant tax on all revenue from the renting, leasing, or otherwise furnishing of hotel or motel accommodations for profit in Fayetteville. The tax also applies to the gross receipts or gross proceeds received by restaurants and similar businesses as may be defined from time to time by ordinance from the sale of prepared foods and beverages for on- or off-premises consumption. The tax does not apply to such gross receipts or proceeds of organizations qualified under Section 501(c)(3) of the federal Internal Revenue Code.

The taxes are due the 20th day of the month following the month in which the taxes were collected. If taxes become delinquent, the City Prosecutor seeks to collect the taxes. Delinquent taxes totaled $82,934 and $73,532 at December 31, 2025 and 2024, respectively.

Revenues collected from the taxes are to be used for advertising and promotion in Fayetteville and its environs. Revenues are also to be used for the construction, reconstruction, equipment, improvement, maintenance, repair, and operation of a convention center, for the operation of tourist promotion facilities in Fayetteville, and for personnel and agencies necessary to conduct the business of the Commission.

Advertising

The Commission expenses advertising, marketing, and promotion costs as incurred.

Income Taxes

The Commission is a tax-exempt organization under Section 115 of Internal Revenue Code.

Fund Balance – Governmental Funds

The fund balances for the Commission's funds are displayed in two components:

Restricted – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers. Restrictions may be changed or lifted only with the consent of resource providers. Funds are externally restricted by contributors.

Unassigned – Unassigned fund balance includes all amounts not restricted.

The Commission considers restricted amounts to have been spent when an expenditure incurred for purposes for which both restricted and unassigned fund balance is available. The Commission applies restricted amounts first and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Note 2. Commitments

During the year ended December 31, 2013, a resolution was proposed that recommended to the City the issuance and sale of (1) approximately $1,500,000 of hotel and restaurant gross receipts tax refunding bonds for the purpose of refunding the City's outstanding hotel and restaurant gross receipts tax refunding bonds, series 2003, (2) approximately $6,900,000 of hotel and restaurant gross receipts tax and tourism revenue capital improvement bonds for the purpose of financing certain capital improvements in connection with the proposed Walton Arts Center expansion and renovation, and (3) approximately $3,500,000 of hotel and restaurant gross receipts tax and tourism revenue capital improvement bonds for the purpose of financing certain capital improvements in connection with a proposed regional park. The resolution was approved by the Commission in May 2013 and approved by the voters in November 2013 in a special election. The bonds were issued in October 2014, will mature in 2039, and bear interest at coupon rates ranging from 2.0% to 5.0%. As a result of the issuance, the City retains $707,313 per year, plus fees, for payments on these bonds. The amount retained for the bond payment would otherwise be remitted to the Commission.

Note 3. Deposits, Investments, and Investment Income

Deposits

Custodial state law requires that municipal funds be deposited in federally insured banks located in the state of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may also be invested in direct obligations of the United States of America and obligations, the principal and interest of which are fully guaranteed by the United States of America.

The Commission maintains separate bank accounts in two banks. Deposits with banks at December 31, 2025 and 2024 amounted to $3,567,295 and $3,830,977, respectively, of which $385,481 and $370,933 was insured and the remaining amount was collateralized by securities held in the Commission's name.

Investments

The Commission may legally invest in direct obligations of the U.S. government and agencies, collateralized certificates of deposit, pre-refunded municipal bonds, corporate bonds, collateralized repurchase agreements, treasury money markets, local government trusts, and savings accounts.

The Commission had the following investments and maturities at December 31:

		Maturities in Years			
Type	**Fair Value**	**Less Than 1**	**1–5**	**6–10**	**More Than 10**
2025					
Money market mutual funds	$ 940,688	$ 940,688	$ -	$ -	$ -
U.S. agency obligations	767,722	38,924	728,798	-	-
	$ 1,708,410	$ 979,612	$ 728,798	$ -	$ -

		Maturities in Years			
Type	**Fair Value**	**Less Than 1**	**1–5**	**6–10**	**More Than 10**
2024					
Money market mutual funds	$ 838,107	$ 838,107	$ -	$ -	$ -
U.S. agency obligations	876,339	195,854	680,485	-	-
	$ 1,714,446	$ 1,033,961	$ 680,485	$ -	$ -

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Commission's investment policy is to attempt to match investment maturities with cash flow requirements. The Commission's investments are money market mutual funds and U.S. government agency obligations.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Commission's policy to invest no more than 20% in corporate debt or in securities of a management-type investment company or investment trust. It is the Commission's policy to limit its investments in corporate bonds to issues that are rated investment grade by Standard & Poor's and Moody's Investors Service, Inc. and shall maintain an A-average rating or better for Standard & Poor's and an A3 average rating or better for Moody's Investors Service, Inc. Investment in commercial paper will be rated A-1/P-1. At December 31, 2025 and 2024, the Commission's investments in U.S. agency obligations were rated an average rate of AA by Standard & Poor's rating and an average rate of Aa1 by Moody's Investors Service, Inc.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk

The Commission's policy states that investments shall be diversified by limiting investments to avoid concentration in securities from a specific issuer less than or equal to 5% of the cost basis of the Commission's portfolio at the time of purchase and limits concentration in any one business sector to 15% of the cost basis of the portfolio excluding U.S. Treasury securities and collateralized certificates of deposit. The Commission had no concentration risk as of December 31, 2025 and 2024.

Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Commission's investment policy doesn't directly address foreign currency risk. The Commission's investment manager only buys U.S. dollar pay securities. The Commission had no investments that were denominated in foreign currency at December 31, 2025 and 2024.

Consistent with GASB 72, the Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are derived from or corroborated by observable market data for the asset or liability. The Commission's Level 2 investments are valued using a matrix pricing technique, which values the securities based on the securities' relationship to benchmark quoted prices. The Commission uses ICE data services for asset pricing of level 2 inputs. Level 3 inputs are unobservable.

The Commission had the following recurring fair value measurements:

- U.S. agency obligations of $767,722 and $876,339 as of December 31, 2025 and 2024, respectively, are valued using a matrix pricing technique, which values the securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Money market mutual funds of $940,688 and $838,107 as of December 31, 2025 and 2024, respectively, are valued using quoted market prices (Level 1 inputs).

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the statements of assets, liabilities, and fund balance – regulatory modified accrual basis as follows at December 31:

	2025	2024
Carrying value		
Deposits	$ 3,567,097	$ 3,829,871
Cash on hand	1,150	1,150
Investments	1,708,410	1,714,446
	$ 5,276,657	$ 5,545,467
Included in the following statement of assets, liabilities, and fund balance captions		
Cash and cash equivalents	$ 3,568,247	$ 3,831,021
Investments	1,708,410	1,714,446
	$ 5,276,657	$ 5,545,467

Investment Income

Investment income consisted of the following for the years ended December 31:

	2025	2024
Interest and dividend income	$ 85,784	$ 197,284
Net increase (decrease) in fair value of investments	2,824	(57,524)
	$ 88,608	$ 139,760

Note 4. Employee Benefit Plan

The Commission offers a 401(a) and 457(b) plan to all employees who meet the eligibility criteria. The Commission matches employee contributions up to 5%. The Commission contributions are paid into the 401(a) plan. The

Commission made contributions in the amount of $63,666 and $58,870 for the years ended December 31, 2025 and 2024, respectively.

Note 5. Related-Party Transactions

As stated in Ordinance Number 95-1, the board of commissioners consists of seven members, four of which are owners or managers of businesses in the tourism industry, which collect the hotel or restaurant taxes levied. Thus, four members of the board are employed by restaurants or hotels that pay the tax that is the primary funding for the Commission.

During the years ended December 31, 2025 and 2024, the Commission paid approximately $0 and $5,000, respectively, for expenses related to operational services performed by the City for the lease of parking spaces.

The Commission had accounts receivable from the City's Parking Department of $17,009 and $16,383 at December 31, 2025 and 2024, respectively.

The Commission has an agreement to pay the City a collection fee of 2% of the taxes collected. During the years ended December 31, 2025 and 2024, the Commission paid collection expenses of $106,494 and $105,354, respectively, to the City in exchange for the City collecting tax revenue on behalf of the Commission.

Note 6. Capital Assets

A summary of changes in capital assets is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
2025					
Buildings	$ 3,964,099	$ 597,763	$ (137,106)	$ 456,456	$ 4,881,212
Furniture and fixtures	300,660	176,967	(22,726)	-	454,901
Land	198,621	-	-	-	198,621
Office equipment	761,581	33,375	(27,240)	-	767,716
Vehicles	122,860	-	-	-	122,860
Construction in progress	456,456	-	-	(456,456)	-
	5,804,277	808,105	(187,072)	-	6,425,310
Less accumulated depreciation	1,745,399	357,583	(165,525)	-	1,937,457
	$ 4,058,878	$ 1,165,688	$ (352,597)	$ -	$ 4,487,853

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
2024					
Buildings	$ 3,565,796	$ 426,763	$ (28,460)	$ -	$ 3,964,099
Furniture and fixtures	169,248	149,686	(18,274)	-	300,660
Land	198,621	-	-	-	198,621
Office equipment	756,009	147,983	(142,411)	-	761,581
Vehicles	122,860	-	-	-	122,860
Construction in progress	19,205	437,251	-	-	456,456
	4,831,739	1,161,683	(189,145)	-	5,804,277
Less accumulated depreciation	1,690,934	243,610	(189,145)	-	1,745,399
	$ 3,140,805	$ 918,073	$ -	$ -	$ 4,058,878

Note 7. Leases

The Commission has two noncancelable leases entered into in 2024 for copy machines with a 60-month term, which are reflected in the future minimum lease payments schedule. These leases contain month-to-month renewal options at the end of the term and require the Commission to pay general liability insurance, taxes and fees, and maintenance costs.

The Commission also has a lease for commercial property, which was renewed in November 2025. This lease contains a month-to-month renewal option upon termination and requires the Commission to pay all utility costs and maintain damage hazard and general liability insurance coverage.

Rental expense for the building operating lease, included in rent on the statements of revenues, expenditures, and changes in fund balance – regulatory modified accrual basis, was $23,896 and $20,706 for the years ended December 31, 2025 and 2024, respectively. The rental expense for the copier leases, included in office supplies and printing on the statements of revenues, expenditures, and changes in fund balance – regulatory modified accrual basis, was $5,555 and $4,564 for the years ended December 31, 2025 and 2024, respectively.

Future minimum lease payments are as follows at December 31, 2025:

2026	$ 44,525
2027	37,885
2028	4,682
2029	1,561
Total future minimum lease payments	$ 88,653

Note 8. Note Payable to City of Fayetteville

The note payable to City of Fayetteville is due December 1, 2043, with principal payments of $20,359 due annually at 0% interest.

Annual maturities of long-term debt are as follows at December 31, 2025:

2026	$ 20,359
2027	20,359
2028	20,359
2029	20,359
2030	20,359
2031–2035	101,795
2036–2040	101,795
2041–2043	61,082
	$ 366,467

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Fayetteville Advertising and Promotion Commission
Fayetteville, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of Fayetteville Advertising and Promotion Commission (Commission), a component unit of the City of Fayetteville, Arkansas, which comprise the statement of assets, liabilities, and fund balance – regulatory modified accrual basis as of December 31, 2025, and the related statements of revenues, expenditures, and changes in fund balance – regulatory modified accrual basis and revenues and expenditures – regulatory modified accrual basis – budget to actual for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2026. We issued an adverse opinion because the Commission prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory modified accrual basis financial position of the Commission as of December 31, 2025 and the respective regulatory basis changes in fund balance thereof and the respective regulatory basis budgetary comparison for the year then ended, on the basis of accounting described in Note 1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Rogers, Arkansas
June 29, 2026

Forvis Mazars Report to the Board of Commissioners and Management

Fayetteville Advertising and Promotion Commission

Results of the 2025 Financial Statement Audit, Including Required Communications

June 29, 2026

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements: • As of and for the year ended December 31, 2025. • Conducted in accordance with our contract dated January 16, 2026.
Our Responsibilities	Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements prepared by management, with the oversight of those charged with governance, are presented fairly in accordance with the applicable financial reporting framework. As described in Note 1, the financial statements are prepared on the modified accrual regulatory basis of accounting in accordance with the reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Accordingly, our auditor's report includes an adverse opinion on whether the financial statements are presented in accordance with GAAP and an unmodified opinion on whether the financial statements are presented in accordance with the modified accrual regulatory basis of accounting described in Note 1.
Audit Scope & Inherent Limitations to *Reasonable Assurance*	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States (GAGAS), is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Matter	Discussion
Independence	The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • The Board of Commissioners and Management

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of December 31, 2025, on the following as required by GAGAS: • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- Utilization of the modified accrual basis of regulatory accounting

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Estimated useful lives of capital assets
- Valuation of investment securities

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Commitments
- Basis of accounting and presentation
- Regulatory accounting
- Determination of fair values
- Related parties

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Investments and unrealized gain/loss adjustments proposed by Forvis Mazars to agree the Entity's books to the City of Fayetteville
- Accounts receivables and unearned revenue adjustments proposed by Forvis Mazars to remove future period events
- Adjustments to accumulated depreciation, gain/(loss), and capital asset accounts for disposals that were not recorded

Uncorrected Misstatements

- No uncorrected misstatements to report

Other Required Communications

Other Material Communications

Listed below is another material communication between management and us related to the audit:

- Management representation letter (see Attachments)

Required Communications Regarding Internal Control (AU-C 265)

Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Fayetteville Advertising and Promotion Commission as of and for the year ended December 31, 2025, in accordance with GAAS and GAGAS, we considered the Entity's internal control over financial reporting (internal control).

This consideration served as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinion on the financial statements.

However, this consideration was **not** for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Categorizing Deficiencies by Severity

Deficiency

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

Significant Deficiency

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the Entity's financial statements will not be prevented or detected and corrected on a timely basis.

Identified Deficiencies

Deficiency

- During the year, certain journal entries prepared by the VP of Finance and the Finance Director were reviewed by the same individual who prepared the entry because the Entity did not have sufficient accounting staff available to provide an independent review.

  We recommend the Entity establish a process for the CEO, or another appropriate individual independent of the journal entry preparation process, to review and approve journal entries prepared by the VP of Finance or Finance Director when independent review by accounting personnel is not available. The review should be documented and performed before the entries are posted, or as timely as practical thereafter.

We observed matters that we consider to be deficiencies that we communicated to management orally.

Attachments

Management Representation Letter

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Attachment A

Management Representation Letter

Representation of:
Fayetteville Advertising and Promotion Commission
21 South Block Avenue, Suite 100
Fayetteville, AR 72701

Provided to:
Forvis Mazars, LLP
Certified Public Accountants
5115 W. JB Hunt Dr.
Rogers, AR 72758

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audits of our financial statements as of and for the years ended December 31, 2025, and 2024.

Our representations are current and effective as of the date of Forvis Mazars' report: June 29, 2026.

Our engagement with Forvis Mazars is based on our contract for services dated: January 16, 2026.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles permitted by Arkansas Code 10-4-412, which is a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

We understand that you will render an adverse opinion on the financial statements with respect to accounting principles generally accepted in the United States of America because the financial statements are prepared in accordance with accounting practices prescribed or permitted by the State of Arkansas under Arkansas Code 10-4-412, which is a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles permitted by Arkansas Code 10-4-412, which is a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation, and maintenance of:

    a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

    b. Internal control to prevent and detect fraud.

3. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d. All minutes of board of commissioner meetings, if any, held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board of commissioners, if applicable, and maintained as part of our records.

    e. All significant contracts and grants.

4. We have disclosed to you all instances in which artificial intelligence (AI) systems or tools were used related to financial reporting, internal controls, and other processes relevant to the financial statements and our compliance with requirements applicable to each of our major federal awards programs. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls related to the use of AI.

5. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

6. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.

7. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

8. We have identified and disclosed to you any violations or possible violations of laws, regulations, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

9. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.

10. We have a process to track the status of audit findings and recommendations.

11. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to

address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

Misappropriation, Misstatements, & Fraud

12. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:

    a. Misappropriation of assets.

    b. Misrepresented or misstated assets, liabilities, or fund balance.

13. We have no knowledge of fraud or suspected fraud affecting the entity involving:

    a. Management or employees who have significant roles in internal control over financial reporting, or

    b. Others when the fraud could have a material effect on the financial statements.

14. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles permitted by Arkansas Code 10-4-412, which is a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, regulators, citizens, suppliers, or others.

16. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

17. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values that could negatively impact the entity’s ability to maintain sufficient liquidity.

    We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity’s financial statements. Further, management and governance are solely responsible for all aspects of managing the entity.

Related Parties

18. We have disclosed to you the identity of all of the entity’s related parties and all the related-party relationships of which we are aware.

    In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles permitted by Arkansas Code 10-4-412, which is a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America.

19. We understand that the term related party refers to:

    - Affiliates.
    - Entities for which investments are accounted for by the equity method.
    - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management.
    - Commisioners and members of their immediate families.
    - Management and members of their immediate families.
    - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

    Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

    The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings, & Regulations

20. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles permitted by Arkansas Code 10-4-412, which is a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America.

21. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.

22. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.

23. There are no regulatory examinations currently in progress for which we have not received examination reports.

24. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we

received any correspondence from the IRS or other agencies indicating such payments may be due.

25. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Nonattest Services

26. You have provided nonattest services, including the following, during the period of this engagement:

    - Preparing a draft of the financial statements and related notes.

27. With respect to these services:

    a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.

    c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    d. We have evaluated the adequacy of the services performed and any findings that resulted.

    e. We have established and maintained internal controls, including monitoring ongoing activities.

    f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

28. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

Transactions, Records, & Adjustments

29. All transactions have been recorded in the accounting records and are reflected in the financial statements.

30. We have everything we need to keep our books and records.

31. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

32. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the entity’s accounts.

Governmental Accounting & Disclosure Matters

33. With regard to deposit and investment activities:

    a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.

    b. Investments are properly valued.

    c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

    d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

34. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended, required by Arkansas Code 10-4-412 regulatory basis of accounting.

35. Components of fund balance (restricted and unassigned) are properly classified and, if applicable, approved.

36. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

37. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.

38. We have identified and evaluated all potential tax abatements, and we believe there are no material tax abatements.

Accounting & Disclosure

39. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements, or other arrangements (either written or oral) that are in place.

40. Except as reflected in the financial statements, there are no:

    a. Plans or intentions that may materially affect carrying values or classifications of assets, liabilities, or fund balance.

    b. Material transactions omitted or improperly recorded in the financial records.

    c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    d. Events occurring subsequent to the statement of assets, liabilities, and fund balance date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.

    e. Agreements to purchase assets previously sold.

f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.

g. Guarantees, whether written or oral, under which the entity is contingently liable.

h. Known or anticipated asset retirement obligations.

41. Except as disclosed in the financial statements, the entity has:

a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.

b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

Revenue, Accounts Receivable, & Inventory

42. Adequate provisions, allowances, or other adjustments in basis have been recorded for any material losses from:

a. Uncollectible receivables.

b. Excess or obsolete inventories.

c. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

43. We have identified all accounting estimates that could be material to the financial statements, and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.

44. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to a lack of diversity related to employers, industries, inflows of resources, workforce covered by collective bargaining agreements, providers of financial resources, or suppliers of material, labor or services, or constraints, which refer to a limitation imposed by an external party or by formal action of a government’s highest level of decision-making authority related to limitations on raising revenue, limitations on spending, limitations on the incurrence of debt, or mandated spending, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

45. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:

a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated course of action.

b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.

c. The significant assumptions appropriately reflect market participant assumptions.

d. The disclosures related to fair values are complete, adequate, and in conformity with accounting principles permitted by Arkansas Code 10-4-412, which is a regulatory basis of accounting that differs from accounting principles generally accepted in the United States of America.

e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

R Hauck

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Gretchen Hunt
Gretchen Hunt (Jun 29, 2026 15:27:31 CDT)

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