

**RESEARCH REPORT
OF
THE STATE FAIR COMMISSION
Phoenix, Arizona**



**PERIOD
July 1, 1941 to November 1, 1942**



**BY
The Arizona Tax Research Association
706 HEARD BUILDING
PHOENIX, ARIZONA**

ARIZONA STATE FAIR COMMISSION

This Research Report of the Arizona State Fair Commission reflects the financial activities from July 1, 1941, to November 1, 1942

The sources of incomes, expenditures and the current period operating reserves are reflected in Pages 5 to 8 of this report, identified as follows:

Appropriation, Income and Expenditures, Schedule 1, Page 5;
Expenditure Detail, Exhibit A, Pages 6 and 7;
Operating Statement, Schedule 2, Page 8.

INCOME
Schedule 1, Page 5

The operating balance as of July 1, 1941 was in the sum of \$767.49. With this balance, there was also carried forward an inherited assortment of unpaid bills contracted by the previous commission in the sum of \$9,243.01.

The income for the period was in the sum of \$186,119.05, derived from the following sources:

Legislative Appropriation, Year 1941-42.....	\$20,950.00
Legislative Appropriation, Year 1942-43.....	20,950.00
Fair Grounds Rentals.....	46,182.81
General Admissions.....	36,188.65
Pari-Mutuel.....	38,691.39
Concessions.....	9,358.33
Miscellaneous Collections.....	13,797.87

EXPENDITURES
Schedule 1 and Exhibit A, Pages 5 to 7

The total expenditures for the operating period were in the sum of \$110,706 33, reflected in detail in Exhibit A, Pages 6 to 7, grouped as follows:

Salaries and Wages.....	\$39,957.95
Operation and Maintenance.....	27,547.42
Prizes and Awards.....	12,003 20
Racing Purses.....	17,930.00
Federal Admission Tax.....	4,024.75
Deficit from Previous Administration.....	9,243.01

The inherited obligations are detailed in Exhibit A, Pages 6 and 7, and for what purpose contracted.

There was expended for salaries and wages for the current operating period the sum of \$39,957.95, of which the sum of \$12,242.50 was expended for the administration and

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maintenance of the physical plant. \$1,995.86 was paid to a Director of Entries and \$437.50 was paid to a publicity man during the months of May, June and July, 1942.

The balance of \$25,282.09 was expended for miscellaneous salaries, principally during the period of the State Fair during the month of November, 1941.

For operation and maintenance, there was expended for the period the sum of \$27,547.42. This amount, the same as salaries and wages excepting for normal maintenance, was expended principally in the promotion of the State Fair.

The expenditures for prizes and racing purses in the sum of \$29,933.20 were entirely a part of the Fair operating outlay.

Federal taxes, as paid in the sum of \$4,024.75, were collected by the Fair Commission and are included as a part of the admission and pari-mutuel receipts.

Deducting the period expenditures (including the payment of the inherited deficit) from the carryover balance and the period income and appropriation, there is reflected an operating balance as of November 1, 1942 of \$76,180.21. Of this amount the sum of \$1,431.35 (the unexpended balance of funds appropriated for the years 1941-42), on June 30, 1942 reverted to the State General Fund. Deducting the reverted amount from the gross operating reserve, there is available for maintenance and operation as of November 1, 1942, the sum of \$74,748.86, reflected in the following departmental funds:

Unexpended Appropriation.....	\$19,175.61
Commission Income Account.....	51,040.90
Commission Income Suspense.....	4,532.35

OPERATING STATEMENT
Schedule 2, Page 8

The net period operating reserve as of November 1, 1942 is in the sum of \$83,224.38, the disbursements for the inherited deficit in the net amount of \$8,475.52, however, has reduced the operating reserve available as of November 1, 1942 to \$74,748.86, reflected in the following departmental funds:

Unexpended Appropriation.....\$19,175.61
Commission Income Account..... 51,040.90
Commission Suspense pending Court Order.. 4,532.35

GENERAL

Salaries and wages represent the largest single item of expense. The major part of the salary outlay after allowing for normal year-around physical plant maintenance was occasioned by the promotion of the State Fair. From observations of the pay rolls, the persons appearing regularly on them represent the personnel in connection with the physical plant supervision and maintenance, whose salaries for the period were in the sum of \$12,242.50. Deducting this amount from the total expenditures for salaries and wages, there is reflected a sum of \$27,715.45 expended for salaries principally in the promotion of the State Fair. The State Fair operated for nine days and the preparation of exhibit space and other incidental factors such as erection of the amusement concessions were accomplished by contract or paid by concessionaires.

Salaries in the preliminary stages in the preparation for the Fair would be only in a nominal amount, the same being true as to the period immediately after the Fair where only the clearing of the physical plant and the restoration to normal of the grounds was a Fair Commission function. In examining the pay rolls, it is evident that the predominant rate of pay per day for all kinds of employees was \$5.00. There were exceptions, however, such as race meet officials, and fair superintendents of various departments, that should be excluded from the general group of employees. The outlay for supervision during the fair and race meet was in the sum of \$6,342.50. This amount deducted from the total salaries paid principally during the fair and race meet reflects a sum of \$21,372.95 as having been paid out to such employees as laborers, policemen, mutuel operators and other classifications. Allowing nineteen days for preparation, fair days and the cleaning of the physical plant and grounds, the daily expenditure for ordinary labor was \$1,124.89, thus indicating that

there were approximately 225 persons employed daily for the nineteen days in addition to the regular employees and supervisory personnel.

Analysing the identifiable income and sources of expenditures, as reflected in Schedule 1 and Exhibit A, Pages 5 to 7, incl., it is evident that the Commission's income reserve as of November 1, 1942, in the sum of \$51,040.90 was principally the result of horse racing rather than the staging of the State Fair.

Incidentally in addition to being the instrumentality in the establishment of the reserve, racing at the Fair Grounds during the reported period also produced in pari-mutuel tax and sales tax (collected by the State Tax Commission and put into the State General Fund), the sum of \$83,690.72.

In view of the fact that the State Fair Commission has announced that there will be no State Fair during the fiscal year 1942-43, the following amounts, as appropriated by the last session of the Legislature, to the State Fair Commission should revert to the State General Fund as of June 30, 1942:

Premiums.....	\$9,000.00
Supervisor of Entries.....	200.00
Grand Stand Attendants.....	500.00
Policing.....	500.00
Cashier and Ticket Sellers.....	1,000.00
Judges.....	300.00
Total.....	<u>\$11,500.00</u>

In addition to the above, it is possible there will be a saving in operation, repairs and replacements and insurance.

Should there be no Fair during the fiscal year 1943-44, it is evident that the State Fair plant can be operated out of the surplus now existing which is in excess of the past two years' appropriation for maintenance of the physical plant and the staging of the Fair. Such personnel as clerks, supervisors of entries and publicity agent will not be necessary and the money so conserved could be expended advantageously in maintaining and conserving the physical plant and grounds, and particularly the landscaping which is now in the course of development.

STATE FAIR COMMISSION
APPROPRIATIONS, INCOMES AND EXPENDITURES

PERIOD JULY 1, 1941 to NOVEMBER 1, 1942
APPROPRIATIONS JULY 1, 1941 to JUNE 30, 1943

	APPROPRIATION	APPROPRIATION	COMMISSIONER'S INCOME	DEFICIENCY	CHAPTER 73	TOTALS
	7/1/1941 TO 7/1/1942	7/1/1942 TO 7/1/1943	ACCOUNT 7/1/1941 to 11/1/1942	FUND	1935 SESSION LAW	
BALANCE JULY 1, 1941	NONE	NONE	NONE	\$ 177.67	\$ 589.82	\$ 767.49
SALARIES AND WAGES	\$ 6,950.00	\$ 6,950.00				13,900.00
FOR PREMIUMS	9,000.00	9,000.00				18,000.00
OPERATION	1,500.00	1,500.00				3,000.00
REPAIRS AND REPLACEMENTS	1,000.00	1,000.00				2,000.00
INSURANCE PREMIUMS	2,500.00	2,500.00				5,000.00
LICENSE FEES			460.00			460.00
PROGRAM:			919.67			919.67
FAIR GROUNDS RENT			46,182.81			46,182.81
EQUIPMENT RENTAL			2,032.50			2,032.50
STATE RENTS AND STORAGE			2,012.47			2,012.47
CONCESSIONS			9,358.33			9,358.33
CONTRIBUTIONS			10.00			10.00
FAIR EXHIBIT RENTALS			3,140.00			3,140.00
ENTRY FEES			1,274.25			1,274.25
BOX SEAT SALES			1,355.65			1,355.65
GENERAL ADMISSIONS			36,188.65			36,188.65
PARI-MUTUEL			38,691.39			38,691.39
BAR ROYALTIES			1,334.27			1,334.27
AUTO RACES			131.36			131.36
PREMIUM BOOK			100.00			100.00
FEED SALES			100.00		3.93	100.00
REFUNDS ON PRIOR YEARS			539.03			542.96
RECOVERY ON FIRE LOSS			283.77			283.77
RUBBER THREAD REFUND			17.40			17.40
MISCELLANEOUS			83.57			83.57
TOTAL INCOME AND BALANCES	20,950.00	20,950.00	144,215.12	177.67	593.75	186,886.54
TRANSFERRED FROM			13,775.36	177.67	.15	
TRANSFERRED TO			177.82	9,243.01		4,532.35
NET AMOUNT AVAILABLE	20,950.00	20,950.00	130,617.58	9,243.01	593.60	186,886.54
DEDUCT						
DISBURSEMENTS EXHIBIT A	19,518.65	1,774.39	79,576.68	9,243.01	593.60	110,706.33
BALANCE NOVEMBER 1, 1942	1,431.35	19,175.61	51,040.90	NONE	NONE	76,180.21
REVERTED TO STATE GENERAL FUND						1,431.35
NET CASH BALANCE NOVEMBER 1, 1942						\$ 74,748.86

---DETAIL OF UNUSED APPROPRIATION---
 OPERATION-----\$ 50.60
 SALARIES AND WAGES-----6.88
 REPAIRS AND REPLACEMENTS-----711.02
 INSURANCE PREMIUMS-----661.80
 PREMIUM AWARDS-----1.05
 TOTAL-----\$1,431.35

STATE FAIR COMMISSION
EXPENDITURE DETAIL
JULY 1, 1941 TO OCTOBER 31, 1942

	APPROPRIATION 7/1/1941 TO 7/1/1942	APPROPRIATION 7/1/1942 TO 7/1/1943	COMMISSION INCOME ACCOUNT, 7/1/1941 TO 11/1/1942	DEFICIENCY FUND 7/1/1941 TO 11/1/1942	CHAPTER 73 1935 SESSION LAW	TOTALS
<u>SALARIES AND WAGES</u>						
SECRETARY	\$ 2,400.00	\$ 800.00				3,200.00
CUSTODIAN	1,200.00	400.00				1,600.00
SUPERINTENDENT OF ENTRIES	195.96		1,800.00			1,995.96
CLERK HIRE	374.50		1,336.00			1,710.50
STENOGRAPHERS	472.66		1,169.19			1,641.85
GRAND STAND ATTENDANTS	500.00		159.00			659.00
POLICEMEN	500.00		3,861.38			4,361.38
TICKET TAKERS AND SELLERS	1,000.00		587.50			1,587.50
JUDGES	300.00		434.05			734.05
GARDENERS			2,250.00			2,250.00
JANITORS			562.50			562.50
LABORERS			4,851.98			4,851.98
MUTUEL OPERATORS			4,199.00	348.59		4,199.00
ELECTRICIANS						348.59
GATEMEN			531.50			531.50
TRUCK DRIVERS			525.50			525.50
PUBLICITY SALARIES			737.50			737.50
BOOKKEEPERS AND AUDITORS			560.00			560.00
PRESIDING STEWART			525.00			525.00
STARTER			810.00			810.00
VETERINARIAN			323.00			323.00
GENERAL MANAGER			735.00			735.00
SUPERINTENDENT OF EXHIBITS			2,152.00			2,152.00
GENERAL SUPERINTENDENT			500.00			500.00
MISCELLANEOUS SALARIES			3,405.53	90.00		3,495.53
TOTAL -- -- --	\$ 6,943.12	\$ 6,200.00	\$31,814.83	\$ 438.59		\$40,396.54
<u>OPERATION AND MAINTENANCE</u>						
OFFICE SUPPLIES AND PRINTING	223.19	11.50	2,006.82	364.06		2,605.57
TELEPHONE AND TELEGRAMS	91.07	33.61	484.93	361.54		971.15
ADVERTISING AND PUBLICITY	8.00		4,223.56	431.00		4,662.56
MISCELLANEOUS SUPPLIES	122.11	3.72	610.12	191.12		927.07
OFFICIAL BONDS	347.99	12.50	111.00			471.49
WATER	215.72	11.64	458.13	372.54		1,058.03
EQUIPMENT REPAIRS	30.95	167.91	608.54			1,007.40
GAS AND OIL	204.79	98.33	798.17	378.84		1,480.13
BLACKSMITH WORK	59.10					59.10
LIEU TAX ON AUTO	37.24	9.00	190.26	98.05		37.24
AUTO REPAIR AND PARTS	56.07	68.42	5,555.35	3,481.19	593.60	353.38
PHYSICAL PLANT REPAIRS	342.15					10,040.71

(EXHIBIT A)

STATE FAIR COMMISSION
EXPENDITURE DETAIL
JULY 1, 1941 TO OCTOBER 31, 1942

(EXHIBIT A, CARRIED FORWARD)

	APPROPRIATION 7/1/1941 TO 7/1/1942	APPROPRIATION 7/1/1942 TO 7/1/1943	COMMISSION INCOME ACCOUNT 7/1/1941 TO 11/1/1942	DEFICIENCY FUND 7/1/1941 TO 11/1/1942	CHAPTER 73 1935 SESSION LAW	TOTALS
EQUIPMENT RENTAL		\$ 3.50	\$ 3,001.21	\$ 350.26		\$ 3,354.97
LIGHTS AND POWER		88.50	2,806.82	846.48		3,741.80
LANDSCAPING			393.71	833.68		1,227.39
TRAVEL MILEAGE AND SUBSISTENCE			552.36	26.28		578.64
FEED			205.21			205.21
POSTAGE			375.15			375.15
INSURANCE		65.76	331.51			397.27
BANK DEPOSIT SERVICE	1,838.20		90.00			2,235.47
TOTAL OPERATION AND MAINTENANCE	\$3,576.58	\$ 574.39	\$22,802.85	\$ 7,735.04	\$ 593.60	\$35,282.46
PRIZES AND AWARDS						
PREMIUMS			3,004.25			12,003.20
RACING PURSES	8,998.95		17,930.00			17,930.00
TOTAL PRIZES AND AWARDS	\$8,998.95		\$20,934.25			\$29,933.20
CAPITAL EXPENDITURES						
SPRINKLER			4,024.75			1,069.38
FEDERAL ADMISSION TAX						4,024.75
TOTAL EXPENDITURES	\$19,518.65	\$ 1,774.39	\$79,576.68	\$ 9,243.01	\$ 593.60	\$110,706.33

(EXHIBIT A)

STATE FAIR COMMISSION -- OPERATING STATEMENT

APPROPRIATION, 1941-1942	\$20,950.00	
APPROPRIATION, 1942-1943	20,950.00	
INCOME JULY 1, 1941-NOVEMBER 1, 1942	<u>144,219.05</u>	
TOTAL OPERATING INCOME AND BALANCE - - - - -		\$186,119.05
DEDUCT		
PERIOD OPERATING EXPENDITURES		<u>101,463.32</u>
GROSS OPERATING RESERVE - - - - -		84,655.73
DEDUCT		
UNUSED APPROPRIATION 1941-1942 REVERTED TO GENERAL FUND		<u>1,431.35</u>
NET PERIOD OPERATING RESERVE - - - - -		83,224.38
DEDUCT		
DEFICIENCY FROM PREVIOUS ADMINISTRATION PAID	9,243.01	
LESS		
CASH BALANCE JULY 1, 1941	<u>767.49</u>	
NET AMOUNT OF DEFICIT PAID CURRENT PERIOD - - - - -		<u>8,475.52</u>
NET CASH AND APPROPRIATION RESERVE NOVEMBER 1, 1942 - - - - -		\$74,748.86

--- DETAIL OF RESERVE ---

UNUSED APPROPRIATION, NOVEMBER 1, 1942-----	\$19,175.61
COMMISSION INCOME CASH, NOVEMBER 1, 1942-----	51,040.90
SUSPENSE CASH PENDING COURT ACTION-----	<u>4,532.35</u>
TOTAL-----	\$74,748.86