



Arizona House of Representatives House Majority Research MEMORANDUM

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Government Reform and Government
Finance Accountability Committee

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To: JOINT LEGISLATIVE AUDIT COMMITTEE

Re: Arizona Exposition and State Fair Board

Date: December 19, 2006

Attached is the final report of the sunset review of the Arizona Exposition and State Fair Board, which was conducted by the House of Representatives Government Reform and Government Finance Accountability and Senate Government Committee of Reference.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona
The Honorable Janet Napolitano

President of the Senate
Senator Ken Bennett

Speaker of the House of Representatives
Representative Jim Weiers

Senate Members
Senator Jim Waring, Cochair
Senator Ed Ableser
Senator Bill Brotherton
Senator Jake Flake
Senator Linda Gray

House Members
Representative Bill Konopnicki, Cochair
Representative Kirk Adams
Representative Ted Downing
Representative Phil Lopes
Representative John McComish

Arizona Exposition and State Fair Board
Department of Library, Archives & Public Records
Auditor General

Senate Republican Staff
Senate Research Staff
Senate Democratic Staff
Senate Resource Center

House Majority Staff
House Research Staff
House Democratic Staff
Chief Clerk

**COMMITTEE OF REFERENCE REPORT:
ARIZONA EXPOSITION AND STATE FAIR BOARD**

Background

Pursuant to Section 41-2953, Arizona Revised Statutes, the Joint Legislative Audit Committee (JLAC) assigned the sunset review of the Arizona Exposition and State Fair Board (AESF) to the Senate Government and House of Representatives Government Reform and Government Finance Accountability Committee of Reference.

AESF is custodian of the 96-acre State Fairgrounds and Memorial Coliseum properties. AESF directs and conducts the annual Arizona State Fair and leases the Coliseum and fairgrounds facilities for special events, including the annual Arizona National Livestock Show.

Committee of Reference Sunset Review Procedures

The Committee of Reference held a public hearing on November 29, 2006, to review AESF's response to the sunset factors as required by A.R.S. § 41-2954, subsections D and F, and to receive public testimony (*See Attachment 4*). Testimony was received from Don B. West, Executive Director of the Board, and public testimony from Alberto Gutier.

Committee of Reference Recommendations

The Committee of Reference recommended a ten-year continuation for the Arizona Exposition and State Fair Board.

SUNSET REPORT REQUIREMENTS

Pursuant to Section 41-2954 subsection F, Arizona Revised Statutes

**** Note: The following answers are a summary of the information provided by the Board. Please see Attachment 2 for the complete Board response to the sunset factors required by A.R.S. § 41-2954, subsection F.*

I. The objective and purpose in establishing the agency.

AESF is required by statute to “direct and conduct state fairs, contests and entertainment for the purposes of promoting and advancing the pursuits and interests of the several counties of the State, and of providing sufficient revenue to defray the expenses incurred by AESF in conducting such.” It also hosts trade shows, home and garden shows, merchandise sales, outdoor recreation shows, and an annual livestock fair. Additionally, DEMA has determined that AESF is one of a select group of state agencies that will be called upon to provide emergency services in the event of a disaster or terrorism.

II. The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated.

AESF operates without legislative appropriation and has done so since FY 1981-1982. It has contributed \$9 million to the state General Fund over the past 12 years. AESF is ranked fifth nationally in fair attendance.

III. The extent to which the agency has operated within the public interest.

AESF operates in the public interest by providing affordable entertainment for the enjoyment of all Arizona citizens and does so without the benefit of taxpayer support or legislative appropriation.

IV. The extent to which rules adopted by the agency are consistent with the legislative mandate.

AESF adopted rules regulating certain State Fair amusement games in response to gaming legislation passed in 1987. These rules were updated to comply with Secretary of State requirements in 2002.

V. The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.

The Board holds meetings in accordance with all open meeting laws and follows procedures set forth by the Secretary of State before officially adopting updated rules.

VI. The extent to which the agency has been able to investigate and resolve complaints within its jurisdiction.

The Board has no statutory authority to investigate complaints but handles any complaints regarding operations or policies through the Executive Director or his designee.

VII. The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.

AESF's enabling legislation does not establish such authority.

VIII. The extent to which the agency has addressed deficiencies in its enabling statutes which prevent it from fulfilling its statutory mandate.

AESF is only appropriated the funds it generates and receives no state General Fund dollars. AESF indicates it would be greatly beneficial if AESF could be exempt from programs or costs that would otherwise be borne by the state General Fund or appropriate enough money to AESF to offset the increased costs and expenses.

IX. The extent to which changes are necessary in the agency's laws to adequately comply with the factors listed in the subsection.

No legislative changes are necessary.

X. The extent to which termination of the agency would significantly harm the public health, safety or welfare.

AESF has an economic impact of over \$50 million on the gross state product, helps generate \$31 million in statewide compensation and generates over \$6 million in sales, income and property taxes.

XI. The extent to which the level of regulation exercised by the agency is appropriate and whether less stringent levels of regulation would be appropriate.

This factor does not apply.

XII. The extent to which the agency has used private contractors in the performance of its duties and how the effective use of private contractors could be accomplished.

AESF extensively uses private contractors in conducting the many events it hosts throughout the year.

Additional Questions

I. Identification of the problem or the needs that the agency is intended to address.

Needs include: renovation of buildings and parking lots, purchase of new equipment, and investing in new IT technologies.

II. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of the agency and its anticipated accomplishments.

Increasing attendance at the State Fair by 5 percent annually, maintaining a State Fair guest return of at least 80 percent, and meeting with emergency management agencies to discuss the state's disaster preparedness plan.

III. An identification of any other agencies having similar, conflicting, or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.

No other agency provides the same services or has the same objectives.

IV. An assessment of the consequences of eliminating the agency.

AESF lists several consequences, including losing a valuable resource for education, a livestock showcase, financial contribution to county fairs, an affordable location for law enforcement training exercises and handling national and state disasters.

V. An assessment of the consequences of consolidating AESF with another agency.

AESF indicates it is unlikely that consolidation would result in increased agency effectiveness or efficiency.

Attachments

1. Letter from Rep. Bill Konopnicki to AESF requesting information.
2. Sunset factors pursuant to A.R.S. § 41-2954, subsection F.
3. Meeting Notice.
4. Minutes of Committee of Reference Meeting.

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COMMITTEES:
GOVERNMENT REFORM AND
GOVERNMENT FINANCE
ACCOUNTABILITY, CHAIRMAN
APPROPRIATIONS (B)
COMMERCE

DISTRICT 5

Arizona House of Representatives
Phoenix, Arizona 85007

August 16, 2006

Mr. Alex Turner
100 North 15th Avenue, Suite 402
Phoenix, Arizona 85007

Mr. Turner,

The sunset review process prescribed in Title 41, Chapter 27, Arizona Revised Statutes, provides a system for the Legislature to evaluate the need to continue the existence of state agencies. During the sunset review process, an agency is reviewed by a legislative Committee of Reference. On completion of the sunset review, the Committee recommends to continue, revise, consolidate, or terminate the agency.

As you are aware, The Joint Legislative Audit Committee (JLAC) has directed the Office of the Auditor General (OAG) to conduct the Governors Regulatory Review Council audit and assigned the sunset review to the Committee of Reference comprised of members of the House of Representatives Government Reform & Government Finance Accountability Committee and the Senate Government Accountability and Reform Committee.

In addition to the OAG audit and the 12 sunset factors addressed in the OAG report, the Committee of Reference is required to consider certain factors, pursuant to A.R.S. § 41-2954 (F), in deciding whether to recommend continuance, modification or termination of the Council. Please provide your response to those factors as provided below:

1. An identification of the problem or the needs that the agency is intended to address.
2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.
3. An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.

8. The extent to which the agency has addressed deficiencies in its enabling statutes that prevent it from fulfilling its statutory mandate.
9. The extent to which changes are necessary in the laws of the agency to adequately comply with these factors.
10. The extent to which the termination of the agency would significantly harm the public health, safety, or welfare.
11. The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate.
12. The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.

Additionally please provide written responses to the following:

1. An identification of the problem or the needs that the agency is intended to address.
2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.
3. An identification of any other agencies having similar, conflicting, or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.
4. An assessment of the consequences of eliminating the agency or of consolidating it with another agency.

In addition to responding to the factors in A.R.S. § 41-2954, please provide the committee of reference with a copy of your most recent annual report. Your response should be received by October 13, 2006 so we may proceed with the sunset review and schedule the required public hearing. Please submit the requested information to:

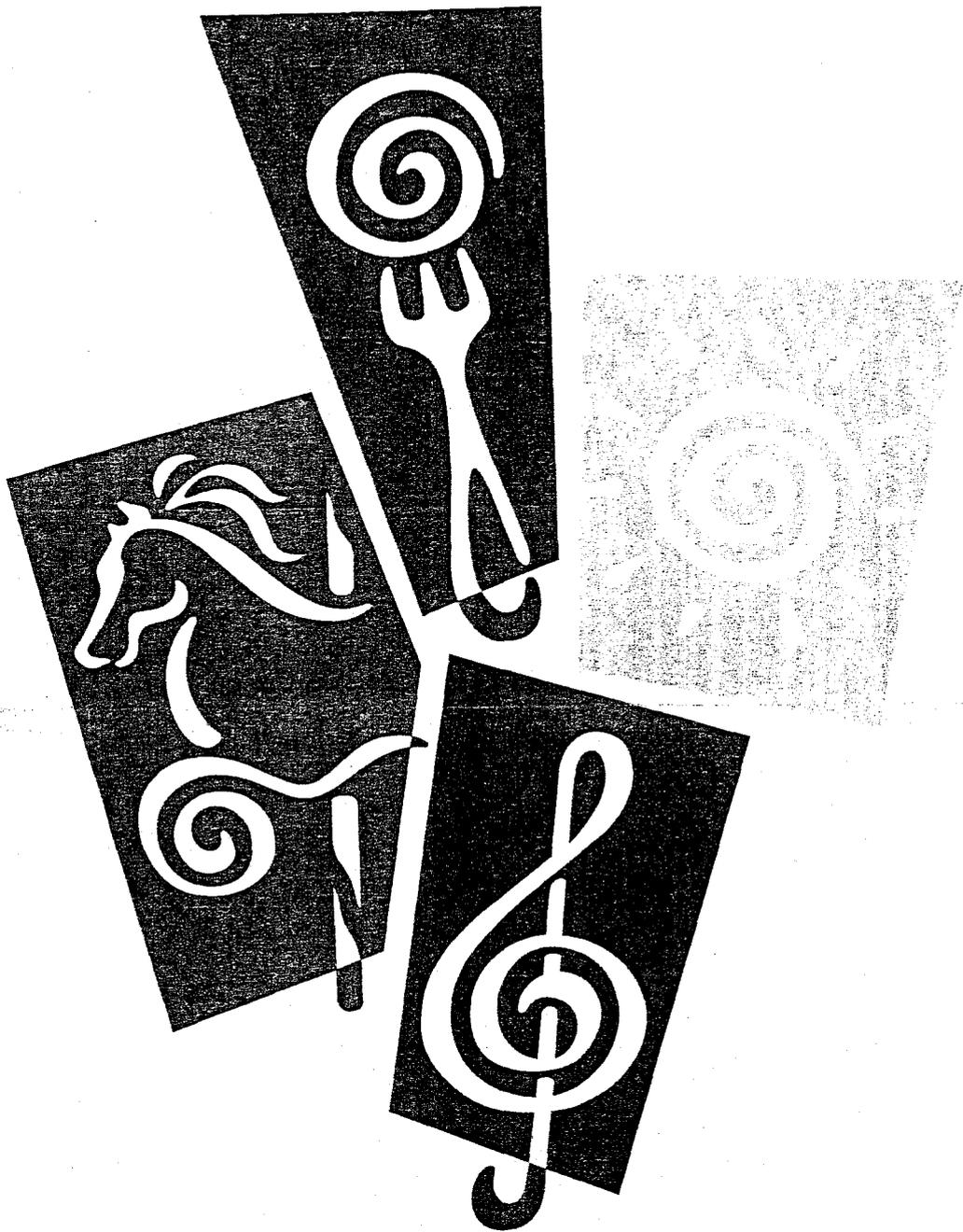
Steven Moortel
Arizona House of Representatives
1700 West Washington Suite H
Phoenix, AZ 85007

Thank you for your time and cooperation. If you have any questions, please feel free to contact me at (602) 926-5409 or Steven Moortel, Legislative Analyst at 602-926-5987.

Sincerely,



Bill Konopnicki
State Representative
Chair, Government Reform & Government Finance
Accountability Committee



Arizona Exposition
& State Fair

October 12, 2006



The Honorable Bill Konopnicki
Chairman, Government Reform and Finance
Accountability Committee
House of Representatives
1700 W. Washington
Phoenix, AZ 85007

Dear Representative Konopnicki,

The Arizona Exposition and State Fair's (AESF) response to its sunset review is enclosed.

AESF is a valuable state asset. Over the past decade, it has contributed \$9 million dollars to the state's General Fund while not receiving any money from that fund as an appropriation. Not only is the agency financially self-sustaining, but it provides an ideal location for the Arizona State Fair, the Arizona National Livestock Show, the Maricopa County Fair and for consumer shows, concerts, and hundreds of other annual events.

AESF's crown jewel, the Arizona State Fair, is far more than a carnival, a concert venue, or deep-fried Twinkie stand. It is a community gathering place with 122 years of rich and enduring history. It brings the agriculture and livestock experience to urban dwellers. It shares century-old traditions and hobbies with today's children and provides them with premier educational attractions. Perhaps best of all, the Arizona State Fair accomplishes these objectives while maintaining affordable admission fees.

On behalf of my board of directors, I respectfully request a favorable review and continuance of the agency.

Should you have questions or need additional information, please contact me at 602-252-6771 or at don.west@azstatefair.com.

Sincerely,

A handwritten signature in black ink that reads "Don B. West". The signature is written in a cursive style with a long, sweeping underline.

Don B. West
Executive Director

Cc: Steve Moortel

SUNSET FACTORS

Pursuant to A.R.S. § 41-2954, the committee of reference is required to consider certain factors in deciding whether to recommend continuance, modification, or termination of an agency. The Arizona Exposition and State Fair (AESF) provides the following responses to those factors:

1. The objective and purpose in establishing the agency.

Since 1905, the Arizona Exposition and State Fair has provided its citizens, counties and industries with an outlet to showcase their uniqueness and diversity. Through its crown jewel, the Arizona State Fair, AESF educates, encourages, and entertains. The State Fair is Arizona's community gathering place; a site where the state's heritage, history, traditions, industry, and future are on display for all to enjoy. AESF also provides numerous other events for public enjoyment and is an integral part of the state's emergency preparedness program. Specifically, the five-member Exposition and State Fair Board is required by statute to "direct and conduct state fairs, contests and entertainment for the purposes of promoting and advancing the pursuits and interests of the several counties of the State, and of providing sufficient revenue to defray the expenses incurred by the Board in conducting such."

In addition to conducting the annual State Fair, AESF hosts a variety of other events, including trade shows, home and garden shows, merchandise sales, and outdoor recreation shows. AESF also presents an annual livestock fair that promotes the state's livestock and agricultural interests. For almost 50 years, AESF has contracted with the Arizona National Livestock Show (ANLS) which coordinates and conducts the numerous shows and activities of the livestock fair. AESF is also home to the Maricopa County Fair. Organized in 1975, the annual event promotes youth involvement in 4-H and FFA activities and awards scholarships to students who participate in the fair.

AESF is also a training ground for many of the state's first responders like the Department of Public Safety, the Department of Emergency and Military Affairs (DEMA), the State Fire Marshal, and Phoenix Fire and Police. These entities used AESF facilities over 80 times in 2005. Additionally, DEMA has determined that AESF is one of a select group of state agencies that will be called upon to provide emergency services in the event of a disaster or terrorism.

2. The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated.

AESF is extremely effective in meeting its overall purpose. The agency operates and maintains its many facilities in a safe, serviceable and economic manner, successfully conducts the annual State Fair, and provides buildings, equipment, and services for a wide variety of functions. In 2005, AESF became a temporary home for over a thousand Hurricane Katrina evacuees. The agency has since become part of a national model for evacuation services. Each year, AESF provides numerous state agencies with thousands of tables and chairs for a variety of government sponsored events. It also assists these agencies by providing building space for a variety of state sponsored events.

AESF operates without legislative appropriation and has done so since fiscal year 1981-82. In addition, AESF has contributed \$9 million dollars to the state's General Fund over the past 12 years.

AESF operates one of the best state fairs in North America and is recognized in a national industry publication that ranks fairs and expositions. In 2005, AESF ranked 5th nationally in fair attendance and had one of the highest carnival ride grosses in North America. (See Exhibit 1) AESF accomplishes all of this despite the fact that new, publicly funded facilities like the Glendale Arena, Phoenix Civic Plaza, and the University of Phoenix stadium compete for the public's entertainment dollar.

3. The extent to which the agency has operated within the public interest.

AESF operates in the public interest by providing affordable entertainment for the enjoyment of all Arizona citizens and does so without the benefit of taxpayer support or legislative appropriation. Specifically, it conducts a nationally recognized and financially profitable State Fair. Additionally, the agency hosts a variety of non-fair events including trade shows, home and garden shows, merchandise sales, the Maricopa County Fair, and the Arizona National Livestock Show. AESF also operates within the public interest by providing facilities and large staging areas for emergency situations, special events, and government functions. AESF consistently and aggressively renovates its facilities to better meet the needs of its guests and tenants. For example, AESF recently repaved its south parking lot, added a new cooling system to its Exhibit building, repaired and replaced numerous roofing structures, and constructed a block fence around an ancillary parking lot.

4. The extent to which rules adopted by the agency are consistent with the legislative mandate.

AESF has established rules that are consistent with its legislative mandate. In response to gaming legislation passed in 1987, AESF adopted rules regulating certain State Fair amusement games. These rules detail how games of skill are to be played on the State Fair's midway. AESF updated the rules to comply with new Secretary of State requirements in 2002.

5. The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.

AESF followed procedures set forth by the Secretary of State before officially adopting the updated rules discussed in Sunset Factor 4. In addition, AESF Board meetings are held in accordance with all open meeting laws as defined in A.R.S. § 38-431.

6. The extent to which the agency has been able to investigate and resolve complaints within its jurisdiction.

While AESF has no statutory authority to investigate complaints, it handles any complaints regarding its operations or policies through the Executive Director or his designee.

7. **The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.**

AESF's enabling legislation does not establish such authority.

8. **The extent to which the agency has addressed deficiencies in its enabling statutes which prevent it from fulfilling its statutory mandate.**

Unlike most other state agencies, AESF absorbs all costs from new state programs and changes in cost allocations. For example, when ADOA required each agency to pay the costs of insuring its own buildings, AESF's Risk Management bill doubled with no corresponding offset for the increase in expenses. A more recent example is the amending of A.R.S. 41-191.01 requiring agencies to pay 635% of their payroll to the Attorney General's Office. AESF already contracts and pays for a full time Assistant Attorney General. Other agencies would place these increased costs in new budgets and receive General Fund money to offset the increased expenses. AESF is only appropriated the money it generates and otherwise receives no General Fund money. Consequently, each new program or mandated cost increase decreases AESF's profitability and jeopardizes its self-sustaining abilities. It would greatly assist AESF if the State Legislature would exempt AESF from programs or costs that would otherwise be borne by the General Fund or appropriate enough money to AESF to offset the increased costs and expenses.

9. **The extent to which changes are necessary in the agency's laws to adequately comply with the factors listed in the subsection.**

No legislative changes are necessary.

10. **The extent to which termination of the agency would significantly harm the public health, safety, or welfare.**

AESF has an economic impact of over \$50 million dollars on the gross state product, helps generate \$31 million dollars in statewide compensation, and generates over \$6 million dollars in sales, income and property taxes. (See Exhibit 2 – page 2) Along with losing millions from the economy, termination of the agency would also result in Arizona losing a valuable entertainment and educational resource. The state would also lose a 96-acre facility that has a proven track record for handling emergency situations like Hurricane Katrina.

Through its multi-purpose facilities, AESF has become home to many events that promote the civic interests of the state. For example, the agency has been a valuable resource for community groups - the Goodwill Women's Auxiliary, the Volunteer Non-Profit Service Association, and the Junior League Rummage Sale – that hold events at AESF on an annual basis. In addition, the interests of the state are served by a variety of agriculture, industry, and youth events promoted by the State Fair, the Arizona National Livestock Show, and the Maricopa County Fair.

11. **The extent to which the level of regulation exercised by the agency is appropriate and whether less stringent levels of regulation would be appropriate.**

This factor does not apply as AESF has no regulatory authority.

12. **The extent to which the agency has used private contractors in the performance of its duties and how the effective use of private contractors could be accomplished.**

AESF extensively uses private contractors in conducting the many events it hosts throughout the year. For non-fair events, it contracts with a private concessionaire to manage food stands in the Coliseum and with numerous concessionaires to provide similar services on the grounds. During the non-fair period, AESF also leases its grounds to hundreds of tenants including numerous government entities that use its facilities at no charge or at discounted rates. For the State Fair, AESF hires over 300 ride, game, food, and commercial vendors as well as various entertainers.

Additional Questions:

1. **Identification of the problem or the needs that the agency is intended to address.**

To better serve the public as both an entertainment destination and emergency preparedness center, AESF is addressing the following needs:

- Renovating buildings and parking lots to increase guest safety and comfort;
- Purchasing new equipment to increase agency effectiveness and efficiency;
- Investing in new IT technologies to improve internal and external communication.

2. **A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of the agency and its anticipated accomplishments.**

AESF has multiple objectives that include presenting a prestigious state fair, preserving and enhancing high guest satisfaction levels and, in light of recent events, improving the site as a disaster shelter. Quantitative and qualitative measures of these objectives include:

- Increasing attendance at the Arizona State Fair by 5% annually;
- Maintaining a State Fair guest return rating of at least 80% (See Exhibit 3);
- Meeting with emergency management agencies including DEMA by December 1, 2006 to discuss AESF's integral role in the state's disaster preparedness plan;

3. **An identification of any other agencies having similar, conflicting, or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.**

No other agency provides the same services or has the same objectives as AESF.

4a. An assessment of the consequences of eliminating the agency.

In addition to and as additional support for the reasons set forth under #10, the following consequences would occur if AESF was eliminated:

- Arizona would lose one of the most prestigious and well attended state fairs in the nation;
- Arizona would lose the ability to showcase the best of its industry, business, education, agriculture, and livestock activities (including 4-H and FFA) in a central location;
- Arizona's counties would lose a valuable and consistent financial and promotional resource. AESF contributes \$1000.00 to each county fair fund on an annual basis. Additionally, AESF encourages each county to participate in the State Fair's County Outreach Program. Under the program, AESF picks up and returns competitive entries from around the state. AESF also assists county fairs by participating in networking organizations like the Arizona Fairs Association and the Governor's Livestock Committee;
- Arizona would lose the ability to provide its citizens with reasonably priced entertainment including concerts, midway rides, motorized events and rodeos;
- Arizona would lose the ability to provide numerous civic and law enforcement groups with an affordable location for events and training exercises;
- Arizona would lose the Arizona Livestock Show and the Maricopa County Fair, both of which depend on the availability of AESF facilities to showcase their events. Neither entity has sufficient funds to relocate if AESF were terminated. Both entities annually contribute tens of thousands of dollars to youth scholarship programs;
- Arizona would lose a valuable financial resource. AESF annually contributes millions to the state's economy through its impact on the gross state product and through sales, income, and property taxes. In addition, the agency has transferred \$9 million dollars of its reserves to the state's General Fund over the past twelve years. AESF is one of only a few state agencies that generates sufficient revenue to maintain its facilities in a safe and serviceable manner without the aid of General Fund monies (See Exhibit 4);
- Arizona would lose a valuable location for handling national and state disasters like hurricanes, floods, and fires;
- Arizona would lose a valuable educational resource. Through displays and exhibits like its State Fair interactive farm for children, AESF helps fairgoers learn about animals and farming;
- Arizona would lose a valuable and enduring piece of its history, heritage, and legacy. The origins and activities of the Arizona State Fair precede statehood.

- Arizona would lose a premier convention and meeting site. Per the Phoenix Business Journal, AESF is one of the top convention and meeting sites in the state. The publication lists AESF as a “Best of the Best” selection in its upcoming December '06 issue.

4b. An assessment of the consequences of consolidating AESF with another agency.

AESF offers the state a unique set of activities and services and is one of only a handful of agencies that must operate within its generated proceeds. It is unlikely that consolidating AESF with another state agency would avoid duplicate or conflicting objectives. Given the experience and expertise level of AESF staff - 13 of its 43 full-time, permanent employees have 20 years or more of experience in the fair industry - it is also unlikely that consolidation would result in increased agency effectiveness or efficiency.

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TOP 50 NORTH AMERICAN FAIRS

Year-end 2005

2005	2004	Fair and Location	2005 attendance (paid)	2004 attendance (paid)	2006 Dates	Comments
1	1	STATE FAIR OF TEXAS Dallas	3 million-plus (not released)	3 million-plus (not released)	Sept. 29-Oct. 22	A cold front on the closing Sunday kept the fair from breaking the record midway gross set in 2003, but GM Errol McCoy was still pleased with the ride and games gross of about \$12 million. Adult admission \$13, \$1 more than last year.
2	2	HOUSTON LIVESTOCK SHOW & RODEO Houston	1,740,095 (not released)	1,890,174 (not released)	Feb. 28-March 19	Attendance dipped nearly 8%, but record-setting concert revenue at Reliant Arena softened that blow. Adult admission \$6.
3	3	MINNESOTA STATE FAIR St. Paul, Minn.	1,632,876 (same)	1,631,940 (same)	Aug. 24-Sept. 4	The fair known for satisfying taste buds had offerings from alligator to zucchini, and food revenue was up 5%-6% from last year. Adult admission \$9.
4	5	LOS ANGELES COUNTY FAIR Pomona, Calif.	1,328,105 (783,529)	1,301,713 (830,000)	Sept. 8-Oct. 1	A 2% attendance increase followed a new three-week-plus schedule, with Mondays and Tuesdays off. Ray Cammack Shows had a 20% increase in gross sales over 2004. Adult admission \$15 weekdays, \$10 weekends.
5	10	ARIZONA STATE FAIR Phoenix	1,276,359 (not released)	1,095,031 (not released)	Oct. 13-Nov. 5	A new, longer format from 18 to 21 days with Mondays off added a fourth weekend and prompted a 16.6% attendance hike. Preliminary numbers indicated a record year for Ray Cammack Shows, and Qwest was the fair's presenting sponsor. Adult admission \$10.
6	4	CANADIAN NATIONAL EXHIBITION Toronto	1,248,600 (not released)	1,412,000 (not released)	Aug. 18-Sept. 4	Bad weather, including the tail end of Hurricane Katrina, and the threat of bad weather lowered attendance 11.5% from last year. Adult admission \$10.
7	7	CALGARY STAMPEDE Calgary, Alberta	1,242,182 (726,464)	1,221,182 (696,000)	July 7-16	The Albertan centennial helped attract record attendance. Tim McGraw produced a sellout at the 12,000-seat Pengrowth Saddledome, with tickets ranging from \$65-\$81. Adult admission \$9.72.
8	6	SAN DIEGO COUNTY FAIR Del Mar, Calif.	1,214,902 (not released)	1,250,320 (not released)	June 10-July 4	The fair narrowly missed setting an attendance record for the fourth straight year by less than 3%. Adult admission \$11.
9	11	WESTERN WASHINGTON FAIR Puyallup, Wash.	1,117,707 (not released)	1,073,581 (644,149)	Sept. 8-24	Better weather meant a 4% increase in attendance and a 7% jump in revenue for Portland, Ore.-based Fantastic Shows. Adult admission \$10.
10	8	SAN ANTONIO STOCK SHOW & RODEO San Antonio	1,095,939 (same)	1,100,000 (same)	Feb. 3-19	Bad weather days, especially on the weekends, prompted a slight attendance dip, though Frank Zaitshik's Wade Shows did well. Adult admission \$5.
11	14	ORANGE COUNTY FAIR Costa Mesa, Calif.	1,058,192 (788,729)	963,896 (689,574)	July 7-30	The fair set an attendance record and broke the 1 million mark for the first time, and Ray Cammack Shows had record carnival revenue of \$5.2 million, 16% above last year's. Adult admission \$7.
12	9	EASTERN STATES EXPOSITION West Springfield, Mass.	1,053,238 (not released)	1,096,463 (not released)	Sept. 15-Oct. 1	The weather cooperated for a fair that saw Gretchen Wilson and Los Lonely Boys perform as well as the newly formed North American Midway Entertainment. Adult admission \$15 weekends, \$12 weekdays.
13	12	IOWA STATE FAIR Des Moines, Iowa	1,002,642 (not released)	1,051,801 (not released)	Aug. 10-20	Attendance broke 1 million for the third straight year but was down 4.7% from last year's record 150th anniversary celebration because of rain. Adult admission \$8.
14	16	TULSA STATE FAIR Tulsa, Okla.	971,449 (not released)	935,220 (not released)	Sept. 28-Oct. 8	Perfect weather at the end of the fair compensated for initial rain and cold that at one point had the fair down 25%. Gate admission revenue was up 16%, mostly because of a \$1 increase. Adult admission \$8.
15	13	NEW YORK STATE FAIR Syracuse, N.Y.	960,145 (505,440)	996,063 (541,485)	Aug. 24-Sept. 4	Attendance was down 3.6%, but the fair had its most successful grandstand concert run ever with more than \$3 million in tickets sold for the Cingular Wireless Concert Series. Following the fair, Peter Cappuccilli Jr. said he was resigning to take a position in the private sector. Adult admission \$10.
16	15	SOUTHWESTERN EXPO & LIVESTOCK SHOW Forth Worth, Texas	941,100 (260,000)	935,700 (255,641)	Jan. 13-Feb. 5	Good weather fueled a 0.6% increase in attendance. Fort Worth-based Talley Amusements provided the midway for the third year. Adult admission \$8.
17	17	CALIFORNIA STATE FAIR Sacramento, Calif.	920,768 (635,122)	918,253 (697,622)	Aug. 11-Sept. 4	A change from 18 days to a 22-day format with Mondays closed was successful, with a 0.3% increase in attendance from last year. Adult admission \$10.
18	25	PACIFIC NATIONAL EXHIBITION Vancouver	903,467 (not released)	767,481 (not released)	Aug. 19-Sept. 4	Good weather and expanded programs prompted a nearly 18% attendance hike in Michael McDaniel's second year as CEO. Adult admission \$8.50.
19	19	OKLAHOMA STATE FAIR Oklahoma City	900,000 (same)	900,000 (same)	Sept. 14-24	Carnival gross for Frank Zaitshik's Wade Shows was up 8% at the fair, where estimated attendance held steady in the second year of a six-day-shorter, 11-day format. Adult admission \$7.
20	21	WISCONSIN STATE FAIR West Allis, Wis.	860,078 (not released)	879,323 (not released)	Aug. 3-13	Hot and humid weather kept the fair from meeting last year's attendance by 2.2%. Brad Paisley and the V100.7 Jam 4 Peace featuring Brian McKnight sold out the grounds' 10,000-seat grandstand. Adult admission \$8.
21	20	ERIE COUNTY FAIR Hamburg, N.Y.	855,664 (not released)	883,797 (not released)	Aug. 9-20	Four days of rain prompted a 3.1% decline in attendance. Grosses were down for Strates Shows by 19%. Adult admission \$9.
22	23	EVERGREEN STATE FAIR Monroe, Wash.	837,550 (not released)	845,278 (not released)	Aug. 24-Sept. 4	The 0.9% decrease could be blamed on some rainy weather, but revenue was up, at least in part to food and beverage price hikes. Butler Amusements was ahead 5%. Adult admission \$8.
23	18	INDIANA STATE FAIR Indianapolis	820,248 (438,707)	900,365 (559,304)	Aug. 9-20	Rascal Flatts performed to a sold-out house at the fair, which saw a 9.8% dip in attendance because of bad weather. Adult admission \$6.

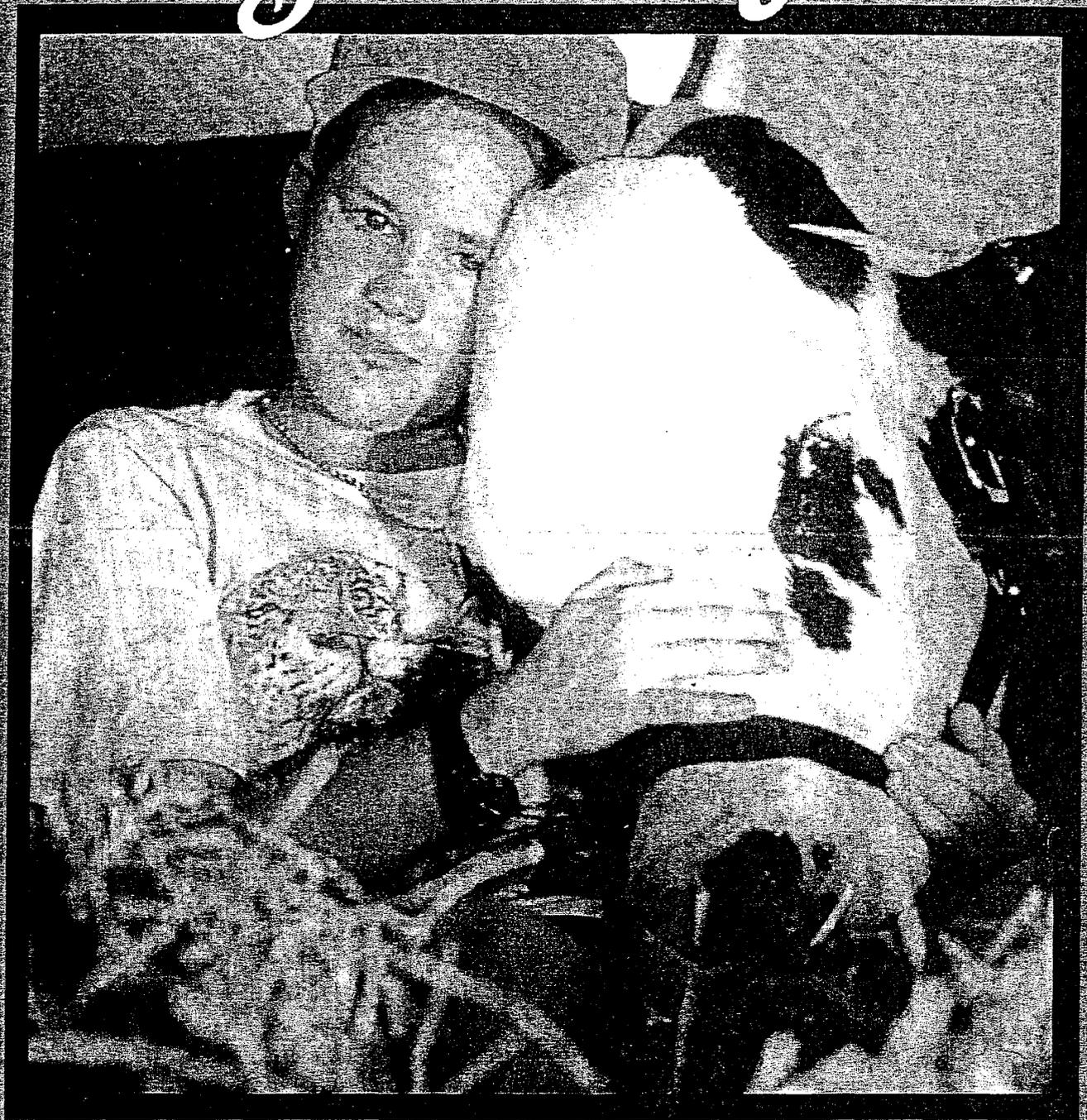
NOTE: AB REVISED NUMBERS AND RANKINGS FROM 2004 WHEN NECESSARY UPON RECEIPT OF UPDATED INFORMATION. THOSE CHANGES ARE REFLECTED IN THIS CHART.

NR=NOT RANKED IN 2004

SOURCE: INDIVIDUAL FAIRS, AB RESEARCH

2005	2004	Fair and location	2005 attendance (paid)	2004 attendance (paid)	2006 date	Comments
24	27	KLONDIKE DAYS Edmonton, Alberta	810,503 (not released)	747,983 (not released)	July 20-29	The Alberta centennial and extra entertainment helped the fair break the 800,000 mark for the first time. Conklin Shows, as the new North American Midway Entertainment, was up 5%. Adult admission \$6.50.
25	22	OHIO STATE FAIR Columbus, Ohio	802,074 (680,000)	850,218 (654,668)	Aug. 2-13	A closing-night concert by Rascal Flatts drew 24,000 and grossed more than \$700,000, but attendance dropped about 6%, mostly because of 90-degree heat. Adult admission \$8.
26	24	NORTH CAROLINA STATE FAIR Raleigh, N.C.	795,930 (654,530)	836,319 (682,535)	Oct. 13-22	Attendance was down 4.8% in the fourth-best-attended show ever, with Frank Zaitshik's Wade Shows fielding the midway on a one-year contract. The fair received \$4,139,949 for its revenue share, down 2% from the \$4,223,579 earned from Reithoffer Shows last year. Adult admission \$6.
27	26	FLORIDA STRAWBERRY FESTIVAL & FAIR Plant City, Fla.	750,000 (not released)	750,000 (not released)	March 2-12	The fair did not release an official attendance figure, but officials said they were on par with last year despite a midweek virtual washout. Mighty Blue Grass Shows did well on the midway. Adult admission \$9.
28	28	ILLINOIS STATE FAIR Springfield, Ill.	747,967 (not released)	746,333 (not released)	Aug. 11-20	Attendance rose slightly despite several days of rain and a cancellation by Lymyrd Skynyrd. Astro Amusements, now part of North American Midway Entertainment, was down. Adult admission \$3.
29	32	NEW MEXICO STATE FAIR Albuquerque, N.M.	710,000 (476,083)	645,000 (512,000)	Sept. 8-24	Better weather and successful school programs translated into a 10% attendance increase from last year, while Murphy Brothers Exposition said it was on par or a bit ahead compared with '04. Adult admission \$5.
30	29	MIAMI-DADE COUNTY FAIR & EXPOSITION Miami	700,000 (637,579)	725,778 (655,778)	March 16-April 2	Rainy opening and closing days helped account for a 12% decrease. North American Midway Entertainment provided the carnival. Adult admission \$8.
31	47	MISSISSIPPI STATE FAIR Jackson, Miss.	663,816 (not released)	421,240 (not released)	Oct. 4-15	Rain last year and none this year, along with a solid entertainment lineup, helped account for a 56% increase in attendance, the best of the Top 50 fairs this year. Adult admission \$5.
32	35	NATIONAL WESTERN STOCK SHOW Denver	633,544 (not released)	625,345 (not released)	Jan. 7-22	Attendance has risen 3%-3.5% annually since 2003, and vp Marv Witt expects that to continue in 2006 with an added rodeo performance, ticket sales that are 15% ahead of last year and a 100th anniversary celebration. Adult admission \$9 weekdays, \$7 weekends.
33	33	KENTUCKY STATE FAIR Louisville, Ky.	629,749 (same)	639,327 (same)	Aug. 17-27	Bad weather, including a thunderstorm on the last Friday evening, accounted for a 1.1% drop in attendance, but Cumberland Valley Shows was about even with last year. Adult admission \$7.
34	36	YORK FAIR York, Pa.	613,335 (not released)	601,683 (not released)	Sept. 8-17	Bigger names in the grandstand, including Tim McGraw, who essentially sold out the 10,600-seat Apple Automotive Grandstand, translated to a 2% attendance increase. Adult admission \$5.
35	38	CENTRAL CANADA EXHIBITION Ottawa	598,705 (not released)	554,400 (not released)	Aug. 17-27	A free opening day and a sold-out Rolling Stones concert at Frank Clair Stadium helped push attendance ahead 8% of last year, said assistant manager Wayne Roy, stepping in for former GM Cheryl McBain. Adult admission \$8.47.
36	31	SOUTH FLORIDA FAIR West Palm Beach, Fla.	580,843 (360,386)	645,945 (345,000)	Jan. 13-29	Attendance was down but all revenue was up, leading GM Rick Vymlatil to say that those who did attend stayed longer and spent more. It was the last year for Conklin Shows, which was folded into North American Midway Entertainment. Adult admission \$15.
37	30	GREAT ALLENTOWN FAIR Allentown, Pa.	576,000 (not released)	694,000 (not released)	Aug. 29-Sept. 4	The fair's Bonnie Brosious attributes the 17% decline in attendance to high gas prices and a fear of gas shortages. Adult admission \$5
38	39	BIG FRESNO FAIR Fresno, Calif.	545,049 (274,392)	530,813 (334,633)	Oct. 4-15	Three daily newscasts from the fairgrounds by three local TV affiliates may have been boosted attendance by 2.7%; Butler Amusements was up 15%. Adult admission \$8.
39	44	FLORIDA STATE FAIR Tampa, Fla.	526,718 (416,753)	474,914 (375,752)	Feb. 9-20	Not only was attendance up nearly 11%, but the ride gross for the fair's first independent midway after the run of Ed Gregory's United Shows of America was one of the best, exceeding \$3 million. Adult admission \$10.
40	34	SOUTH CAROLINA STATE FAIR Columbia, S.C.	508,394 (276,132)	630,152 (322,196)	Oct. 11-22	Rain on six of the first seven days prompted a nearly 20% drop in attendance after last year's record-breaker. The fair also switched dates and will be held a week later in '06. Adult admission \$7.
41	45	GREATER JACKSONVILLE FAIR Jacksonville, Fla.	493,457 (not released)	450,000 (not released)	Nov. 1-12	Perfect weather helped boost attendance by nearly 10%, and Mighty Blue Grass Shows saw a 15% increase from last year. Adult admission \$8.
42	43	PENSACOLA INTERSTATE FAIR Pensacola, Fla.	486,000 (not released)	486,000 (not released)	Oct. 19-29	Good weather with no rain put attendance and Reithoffer Shows revenue on par with last year. Assistant GM Don E. Frenkel will take over from his retiring brother, John. Adult admission \$9.
43	41	DUTCHESS COUNTY FAIR Rhinebeck, N.Y.	480,000 (not released)	500,334 (not released)	Aug. 22-27	Rain on the last Sunday and a Ronnie Milsap concert cancellation prompted attendance decline. GM Tom Odak, retiring at the end of 2006, switched from 50-year-plus contract holder Reithoffer Shows to Powers Great American Midways for '06. Adult admission \$12.
44	37	COLORADO STATE FAIR Pueblo, Colo.	463,000 (not released)	594,000 (not released)	Aug. 25-Sept. 4	The 22% attendance tumble is deceiving because the fair was five days shorter; average daily attendance for Chris Wiseman's first fair as manager actually was up. But Bill Hames Shows carnival was slightly down despite good weather. Adult admission \$7 weekends, \$5 weekdays.
45	46	GREELEY INDEPENDENCE STAMPEDE Greeley, Colo.	448,000 (free gate)	432,000 (free gate)	June 23-July 4	Good concerts and weather helped the fair, which reverted to its former name in 2004, better its attendance by 3.7%. Headliners Brooks & Dunn nearly sold out the 14,000-seat Stampede Arena, which also had successful concerts by ZZ Top and Kelly Clarkson. Bill Hames Shows also did well.
46	40	BLOOMSBURG FAIR Bloomsburg, Pa.	441,655 (not released)	512,864 (not released)	Sept. 23-30	Two rainy days and high gas prices were blamed for a 14% drop in attendance, though Reithoffer Shows had a good run. Adult admission \$4.
47	NR	ARKANSAS STATE FAIR Little Rock, Ark.	439,848 (not released)	316,676 (not released)	Oct. 13-22	Perfect weather and revamped entertainment led to a 38.8% attendance increase for new GM Ralph Shoptaw, though predecessor Jim Pledger also did some fair planning before leaving. Deggeller Attractions had its best year. Adult admission \$6.
48	42	MARYLAND STATE FAIR Timonium, Md.	424,827 (not released)	489,711 (not released)	Aug. 25-Sept. 4	Attendance slipped 13% mostly because of a light rail line that was down for repairs, but Deggeller Attractions enjoyed a record run, which it attributed in part to two extra rides and a strong Labor Day weekend. Adult admission \$6.
49	NR	IONIA FREE FAIR Ionia, Mich.	402,255 (free gate)	356,110 (free gate)	July 20-29	The second year of the return to the free gate continued to see numbers rise, with help from a Tim McGraw sellout in the 10,500-seat grandstand on \$40 and \$75 tickets.
50	49	GEORGIA NATIONAL FAIR Perry, Ga.	400,615 (not released)	390,213 (not released)	Oct. 6-15	Despite high gas prices, a rainy first day and a canceled concert by Gretchen Wilson, the fair set an attendance record at 2.7% over last year. Reithoffer Shows also was up. Adult admission \$6.

Arizona State Fair



A Century of Excellence



"I strongly support the Arizona State Fair...It is an important part of the education of young people from urban and rural communities and has a tremendous positive impact on agriculture in Arizona."

*Dean Fish,
County Extension Director
Agriculture/Natural
Resources Agent
Santa Cruz County
Cooperative Extension*

The Arizona State Fair and certain of its larger non-fair events have a substantial annual impact on Arizona's economy as follows:

- Impact on gross state product
\$50.2 million

"There exists no other place that will accommodate the Arizona National Livestock Show in Arizona."

*Grant Boice, Executive Director
Arizona National Livestock
Show*

- Statewide employee compensation
\$30.9 million

"You can be assured that not only would all of my staff and I be unemployed, but thousands of other employees from these Arizona exhibitors' companies would be laid off, let alone the business that would go under due to the fact that the State has taken away the only way for them to earn an income."

*Rene Smith, Producer
Maricopa County Home Show*

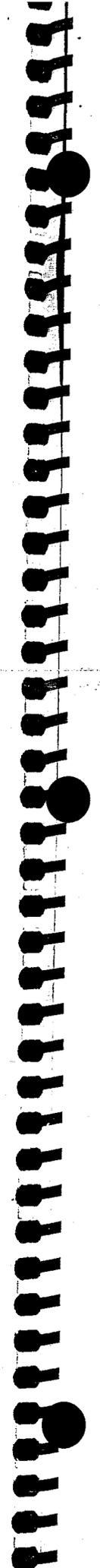
- Full-time equivalent jobs created
1,320

- Sales, income, and property taxes generated
\$6.33 million

It would take a lot of effort and even years for us to find a new home for the Maricopa County Fair.

*James "Jimmy" Wojcik,
Executive Director
Maricopa County Fair*

Source: Center for Business Research, L. William Seidman Research Institute, College of Business, Arizona State University





ECONOMIC IMPACT

Mission Statement

To provide unlimited opportunity to celebrate Arizona's heritage, youth, industry, traditions, and future by bringing the entire community together.

Agency Description

The Arizona Exposition and State Fair (AESF) is a 96-acre entertainment facility that showcases a variety of events including one of the pre-eminent state fairs in the country. AESF rents its facilities to a variety of tenants and promoters including the Arizona National Livestock Show, the Maricopa County Fair, the Maricopa County Home and Garden Show and others. AESF provides a location to showcase industry, agriculture, education and entertainment for the enjoyment of the citizens of Arizona. **AESF is appropriated only those revenues it generates and receives no monies from the general fund.**

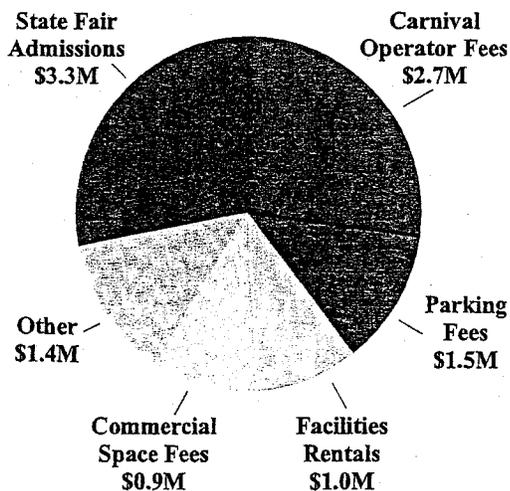


Did you know...

- The Arizona State Fair has contributed \$9 million to the state's General Fund over the last 10 years.
- The Arizona State Fair is a financially self-supporting agency and pays 100% of its employee benefits including retirement.
- 1,067,459 people attended the 2002 Arizona State Fair.
- Over 47,737 people representing all 15 counties participate in Fair activities such as competitions and community performances.
- Between agency earnings re-appropriated to the General Fund and direct tax revenues derived from its activities, the Arizona Exposition and State Fair has directly contributed an estimated minimum of **\$41,000,000** to the general fund in the last 10 years.

Sources of Exposition and State Fair Revenues

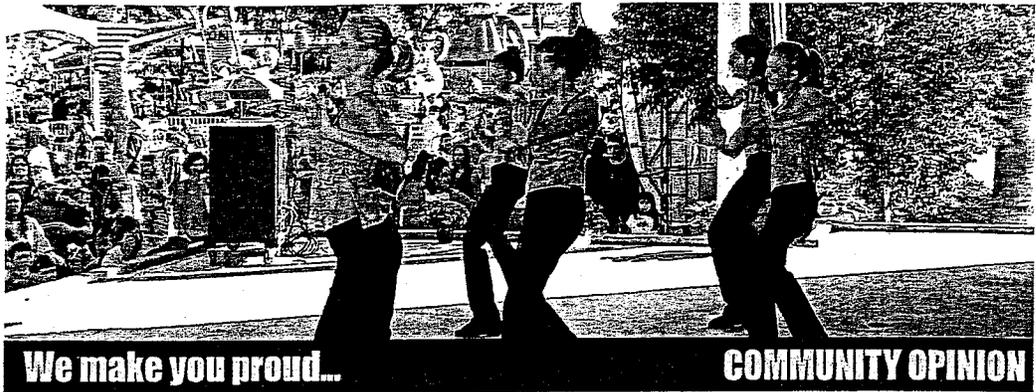
Total Operating revenues \$10.8 million



Examples of Activities Provided by the Arizona Exposition and State Fair

The Exposition and State Fair uses or leases its facilities and space to provide the following activities:

- State & County Fairs
- Arizona National Livestock Show
- Concerts
- Exhibits & Shows



Did you know...

- The Fair attracts 20% of the state's population, representing every geographic, ethnic and age segment.
- 72% of Fairgoers are old enough to vote.
- Almost 90% of Fair attendees plan on coming to the 2003 Fair.
- Over 75% of Fair guests rate the experience as excellent.
- The Arizona State Fair, founded in 1884, bridges 3 centuries.
- 26,360 books were read by Arizona school children to earn free carnival rides in 2002.
- The Fair partners with State agencies such as DPS and DES, and the city of Phoenix, along with private partners by providing training locations, equipment, and services.

Editorial

The opinion of The Arizona Republic

EVENT NEEDS FUNDS TO UPGRADE

State plundering of fair's profits not ... well, fair

Fall harvest season is here again. It's time to pick the corn dogs, bale the cotton candy and reap the caramel apples.

The Arizona State Fair is under way in all its colorful, quirky, caloric glory.

And we need it. This is our biggest community entertainment fest, a rare gathering of the full spectrum of Arizonans. In unsettled times, the familiar rituals are a comfort, from pie-eating contests to blue-ribbon animals.

The fair is such an institution that many people assume the state picks up part of the tab.

Au contraire. The state routinely raids the fair's piggybank.

The fair is self-supporting, with extra profits going into a reserve fund. The money is supposed to be socked away for expanding and improving fair operations. But since 1990, Arizona has siphoned out \$7 million.

Every ticket should be stamped with the disclosure: "Price includes donation to Arizona general fund."

With a huge budget shortfall looming, the pressure will be in-

tense this year to go after the fair's reserves of \$5.4 million.

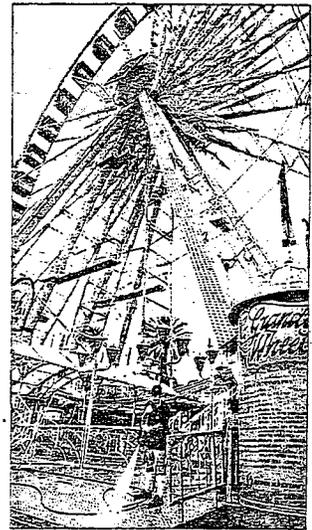
That's just not right.

As former state Rep. Bob McLendon puts it, the State Fair is "punished for being prudent with its money."

Worse, the fair is facing its own financial crunch. Revenues took a hit last year after five days of rain, including crucial weekend dates, cut into attendance. Worries about terrorism could reduce the crowds this year.

In the long run, the fair needs the resources to attract fresh acts and upgrade the facilities. It takes \$2 million in upfront money to launch the fair each year.

While state fairgrounds used to be once-a-year wonders, they now host a variety of events year-round. Arizona is already hobbled with the smallest state fair site in the country: 80 acres. While minor improvements were made in the past year, including replacing a concert stage, larger projects to consolidate buildings and construct a multistory garage have been put on hold.



The Arizona Republic

A worker hoses the deck of La Grande Wheel Ferris at the Arizona State Fair. The wheel is 150 feet high and can carry 216 people.

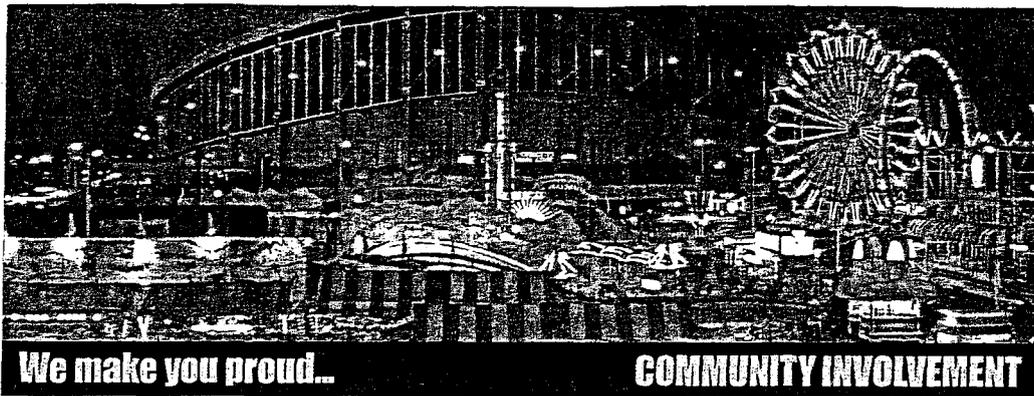
Other fairs are spiffing up. The Iowa State Fair did a \$30 million upgrade, using money from private sponsors plus state matching funds.

Arizona, on the other hand, turns management practices topsy-turvy. Fair officials must wonder why they sweat over getting past the break-even point.

"What a bummer it is to think that if they do really well, their reward is the state will reach in and take it," says Stephen Chambers, executive director of the Western Fairs Association.

It's time to play fair with the State Fair.

Arizona Republic
Phoenix, AZ
Oct. 13, 2001



We make you proud...

COMMUNITY INVOLVEMENT



Yuma County 4-H youth win ribbons at Arizona State Fair

BY RETTA SPRINGER
SPECIAL TO THE SUN

Time and effort have paid off for several Yuma County 4-H members who competed in this year's Arizona State Fair.

Nathan Krueger from the Roadrunners Club entered a woodworking project, and his bookshelf received a first-place blue ribbon.

Yuma County 4-H did well at the fair's Small Stock Show. Alyssa Hanson received Grand Champion Senior Showman in rabbits and Grand Champion Senior Team in livestock judging. She had the Best of Breed Cinnamon Rabbit.

Ryan Hanson received Grand Champion Junior Individual Livestock Judging and had Best of Breed Dutch Rabbit. The Hansons are from Animals R Us Club.

The Tumbleweeds Club also did well. Best of Breed Peruvian Cavy went to C.J. Frailing; Best of Breed American Cavy went to Raymond Rodgers and Samantha York had Best of Breed Rabbit, Best of Breed Duck and Champion Senior Showman in pigeon. Tumbleweeds Club also took second place in Group Junior Livestock Judging.

Nikki Neigh, a member of

Yuma Moos, took her steer to the fair. The black angus cross took second place in Prospect Market Class and Nikki also brought home a belt buckle for winning the Junior Grand Champion Showman.

The State Fair Horse Show is a three-day event held in Scottsdale. Three Yuma County 4-H Horse members placed this year. Lori Yankosky placed fifth in Junior Western Showmanship. In the gymkhana events, Ambur Luster placed ninth in Senior Goat Tying and David Hardin placed ninth in Junior Roping-Heading.

Representing Yuma County in the 4-H Livestock Judging Team competition were senior team members Justin King, Kayla Hughes and Vickie Baer.

Junior team members were Nikki Nigh, Brent Wofford, Cody Slaughter and Heather Turk-Engler. The junior team placed fifth in team competition. Two of the team members also placed in the Individual Competitions scores. Heather won seventh place and Cody ninth place.

Retta Springer, a resident of Aqua Caliente, writes occasional articles for The Sun on events in eastern Yuma County and 4-H. She can be reached at 928-454-2401 or by e-mail to: greeneyes99@juno.com

"Selling the [Fair's] property to raise \$5 million will effectively put the nail into the Fair's coffin. There are currently no viable alternative sites. While the thought of a deep fried Twinkie may not appeal to some, 1 million people believe that the 118 year old tradition is worth attending."

*Terry Burke, Vice President
Clear Channel Entertainment,
Phoenix*

"The Arizona State Fair provides a critical rural/urban interface. This is an opportunity for urban dwellers to experience agriculture first hand. The exhibition highlights the fact that food does not originate at the supermarket."

*Robert M. Kattig, Ph.D.,
Associate Livestock Specialist
Department of Animal Sciences
University of Arizona, Tucson*

"The Arizona State Fair provides Yuma County the unparalleled opportunity for children to showcase their skills to a larger audience. These kids work all year to earn the right to participate in the Arizona State Fair. It is very important to their development."

*Tim Kock, Extension Agent
4-H Youth Development
Yuma County*

*Yuma Daily Sun
Yuma, AZ
Nov. 13, 2001*



J.C. McDonald, 12, of Queen Creek, with champion Bessie the turkey, 8 months and 25 pounds.

Blue-ribbon moments at the State Fair

Two things that define the Arizona State Fair: animals and kids.

Usually, we think of the kids eating cotton candy and riding the Ferris wheel, whereas the animals are the prized beasts of experienced farmers and ranchers.

But when you put the two elements together, kids and animals, you get what the fair is all about.

Look into their faces and see the pride and sense of accomplishment that will give them a jump-start as adults.

"It makes me feel like I'm actually doing something," says J.C. McDonald, 12, whose turkey sold for a record \$2,000. "And it gives me a spurt in life."

Arizona Republic
Oct. 26, 2002

Text by Richard Nilsen
Photos by Peter Taylor



TRICIA McINROY/Tucson Citizen

Sixth-grade students from Anne Davies' class at Hendricks Elementary School display their special quilt.

A stitch in time lands State Fair award

Kids at a Flowing Wells School District elementary school create an Amish-style quilt with a U.S. history theme. The work impresses craft judges at the county and state levels.

By DINA L. DOOLEN
Citizen Staff Writer

When Anne Davies' class began its quilt project a year ago, the children could not have known how timely it would be.

The red, white and blue, American history-themed quilt helped earn the Hendricks Elementary School sixth-graders' project special recognition at this year's Arizona State Fair.

The fair started Oct. 11 — a month after the terrorist attacks — although the quilt was completed last spring and won a blue ribbon in April's Pima

County Fair.

At the state event, it won a special achievement rosette and was displayed with other best-of-show winners.

"I'm sure that helped," Davies, a quilter for 30 years, said of the theme. "We started with the American history theme . . . it just happened to be appropriate."

The 28 students who made the quilt started it in Davies' class last December. At Hendricks, 3400 W. Orange Grove Road, students stay with the same teacher for two years.

Each student designed and

stitched a 10-inch-square block, complete with batting and backing, using Davies' sewing machine at the back of the classroom. Davies sewed the pieces into a quilt measuring about 5 by 4 feet.

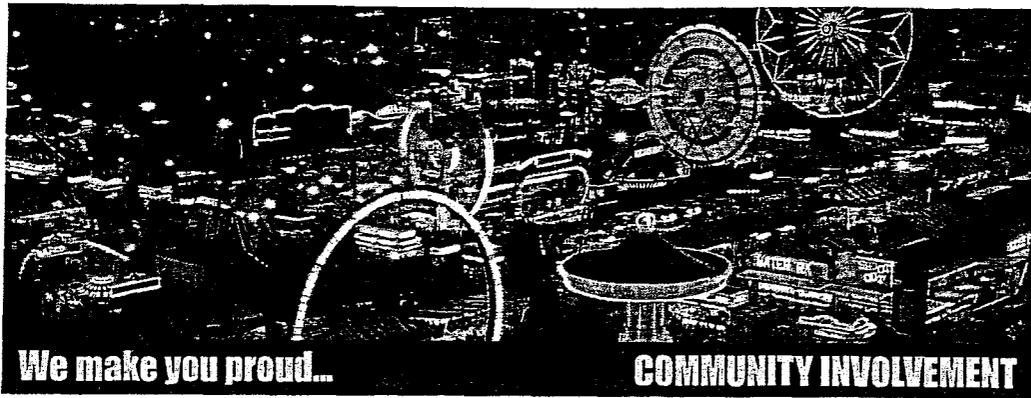
"The boys were more fascinated with the project than the girls were," she said. "They didn't think of it as a gender project."

The quilt was based on the Amish style of abstract geometric arrangements using solid-color blocks. Students also studied Amish culture, the Revolutionary War and the history of the American flag.

Since returning from Phoenix, the quilt has hung in Davies' classroom.

"The kids will have to decide when they graduate" where it will end up, she said.

Tucson Daily Citizen
Tucson, AZ
Dec. 10, 2001



We make you proud...

COMMUNITY INVOLVEMENT



Blind potters reap awards at state fair

by SANDY MOSS
The Daily Courier

Ellis Rackoff lost most of his sight two-and-a-half years ago from diabetes and now sees only shadows of objects and people.

Regardless, Rackoff brought home two blue ribbons and one red from the Arizona State Fair for his hand-built kiln-fired Native America-style pots.

Though he can't see the colors of the final products, Rackoff said "I know the shape and I know what black used to look like."

Making pottery is relaxing for Rackoff, who enjoys "playing" with the clay, he said, something he'd never done when he could see.

He is understandably proud of his pottery acumen and awards.

"It's my way of expressing myself," he said.

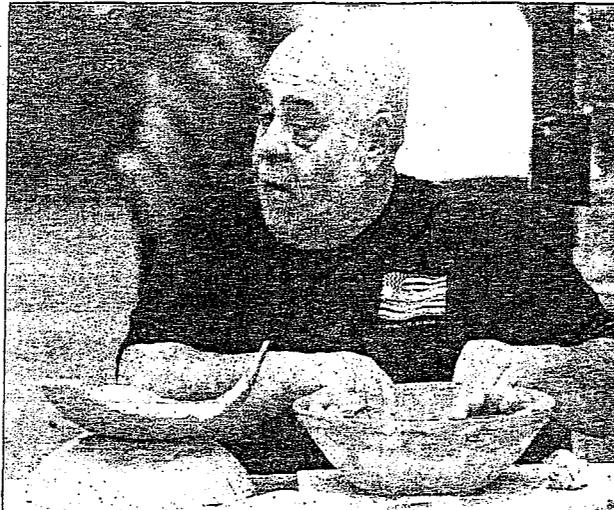
Another blue-ribbon-winning blind potter is Georgia Wilson, 99, who'll be 100 in February.

Wilson was the oldest person to enter anything in any category at the State Fair, for which she garnered the Golden Years Award to go along with a blue ribbon for a set of red, white and blue ceramic bells she painted.

Wilson has been coming to the Yavapai Blind Center for seven years.

With snow-white hair and eyes clouded from macular degeneration, Wilson does pottery, "because it's there to do," she says matter-of-factly.

A former long-time home economics teacher at Prescott High School, Wilson now enjoys coming to the center and working alongside her young friend, Georgia Kenson, 86, who also won a blue ribbon at the state



Courier/Roy Wilky

Blind potter Ellis Rackoff, above, works on a bowl Tuesday at the Yavapai Blind Center. Rackoff won blue ribbons at the Arizona State Fair for his ceramic work. Below, blind ceramist Georgia Wilson works on a Christmas project. Wilson, 99, won the Golden Years Award at the Arizona State Fair for a set of red, white and blue ceramic bells.

fair — for decorating miniature birdhouse ornaments.

Rackoff, Wilson and Kenson are all patrons of the Yavapai Blind Center, where they make their pottery.

Another half-dozen or so of the center's visually impaired clients won in pottery categories at both the Yavapai County Fair and the Arizona State Fair, winning dozens of ribbons.

"We cornered the market at the State Fair," said Ann Somerville, director of the center, and did well at the Yavapai County Fair, too, she added, garnering a total of 20 ribbons.

At the county fair, the center's potters competed alongside sighted people; Somerville said, but had their own special category at the state fair.

Winning recognition for their pottery is an important accomplishment for these folks, she said. "They learn they can still lead a good life with their lim-



Blind ceramist Flora Reed glazes a ceramic Christmas tree Tuesday at the Yavapai Blind Center. Reed won a first place ribbon at the Arizona State Fair for her ceramic work.

ited vision."

The public can see (and purchase) the center's completed pottery at its gift shop, open 8 a.m. to 4 p.m. Monday through Friday at 440 N. Washington St.

The pottery will also be for sale at the "Last Minute Stocking Stuffer" Saturday, Dec. 21, at the old armory, 824 E. Gurley St.

Contact Sandy Moss at
smoss@prescottaz.com or
1-800-917-2222

"We are amazed with the diverse learning and educational experiences [at the Arizona State Fair]."

Shane Glisan
Coca-Cola Enterprises Inc

"We cannot stress enough the importance that the Fair plays in the everyday life of so many people... seeking the same thing; a safe, fun filled day or evening of entertainment and joy."

Craig Sawyer
JJ & Sons Concessions

"The Arizona State Fair instills a sense of pride and unity in our state by allowing residents, both young and old, to showcase their animals and their creative talents."

David W. Schafer,
PhD Resident Director
V Bar V Ranch
University of Arizona

Did you know...

- The Fair provides educational attractions like Presidents & Patriots, displaying an exact replica of Oval Office, and Mad Science an educational interactive stage show.
- The Arizona State Fair 4-H and FFA auction is the culmination of a statewide livestock competition held during the Fair. The 2002 auction raised \$39,150 towards the participants' college funds.



Did you know...

- Arizona State Fair has won 28 1st place industry awards and 29 2nd place awards since 1990.
- Arizona State Fair consistently ranks in the top 10 fairs by attendance.



15% of the Arizona State Fair's full-time employees have been with the Fair 20 years or longer.

Western Fairs Association (WFA) Awards

1990

- 1st Place News Photo
- 1st Place Manuals & Handbooks
- 2nd Place Television Advertising
- 2nd Place Display Advertising
- 3rd Place Manuals & Handbooks
- 3rd Place New Special Events/Exhibits
- 3rd Place Radio Advertising

1992

- 1st Place Fairtime Program
- 1st Place Display Advertising
- 1st Place Community Outreach

Program

1993

- 1st Place - Give It Your Best Shot, Acts & Attractions Series
- 1st Place New Special Event/Exhibit Non-Competitive Exhibits

- 1st Place News Photo
- 1st Place Children's Program
- 1st Place Facility Marketing Program - Facility
- 2nd Place Display Advertising Series
- 2nd Place Display Advertising Single
- 2nd Place Innovative Management
- 2nd Place Television Advertising
- 3rd Place Sponsorship Program

1994

- 1st Place Non-Traditional Revenue Generating Program
- 1st Place Display Advertising Single
- 2nd Place Ideas for Sharing Signage
- 3rd Place Display Advertising Series
- 3rd Place Give It Your Best Shot, Acts & Attractions Single
- 2nd Place Competitive Exhibit Promotions
- 3rd Place Give It Your Best Shot, Youth Series

1995

- 1st Place Display Advertising - Single
- 2nd Place Non-Traditional Revenue Generating Programs
- 3rd Place New Special Events, Non-Competitive Exhibit
- 3rd Place Give It Your Best Shot
- 2nd Place Give It Your Best Shot
- 2nd Place Give It Your Best Shot
- 2nd Place Give It Your Best Shot
- 3rd Place Display Advertising

Series

1996

- 1st Place - Give It Your Best Shot, Human Interest
- 1st Place Display Advertising
- 1st Place - Give It Your Best Shot, Youth Series
- 1st Place Competitive Exhibit Program
- 3rd Place Innovative Management
- 2nd Place - Give It Your Best Shot, Acts & Attractions
- 2nd Place - Give It Your Best Shot, Carnival
- 2nd Place Community Outreach Programs
- 2nd Place Competitive Exhibit Promotions
- 3rd Place Posters

1997

- 2nd Place Fairtime Programs/Schedule of Events
- 2nd Place Ideas for Sharing Other Than Listed
- 2nd Place Competitive Exhibit Promotions
- 3rd Place - Give It Your Best Shot, Human Interest - Series

1998

- 1st Place Competitive Exhibit Programs
- 2nd Place - Give It Your Best Shot
- 2nd Place Fair Web Sites
- 3rd Place Most User Friendly Competitive Exhibitor Guidebook
- 3rd Place - Give It Your Best Shot, Agricultural Series
- 3rd Place - Give It Your Best Shot, Acts & Attractions
- 3rd Place - Give It Your Best Shot, Human Interest
- 3rd Place - Give It Your Best Shot, Carnival Photos
- 3rd Place Ideas for Sharing
- 4th Place Radio Advertising
- 4th Place News Photos
- 4th Place - Give It Your Best Shot, Funny Bone Series
- 4th Place - Give It Your Best Shot, Carnival Photo
- 4th Place Overall Children's Program
- 4th Place One Program for Children
- 4th Place Ideas for Sharing

1999

- 2nd Place Display Advertising Series
- 2nd Place Display Advertising Single
- 3rd Place - Give It Your Best Shot, Human Interest
- 3rd Place - Give It Your Best Shot, Funny Bones

- 2nd Place Excellence In Education, Non-Competitive Fair Program
- 2nd Place Second Year Exhibit or Program
- 2nd Place - Give It Your Best Shot, Carnival Photo
- 2nd Place - Give It Your Best Shot, Youth Series
- 2000
- 1st Place Television Advertising
- 1st Place Fair Web Site Created By Professional
- 2nd Place Television Advertising
- 3rd Place Radio Advertising
- 3rd Place The Oops Award
- 2001
- 2nd Place Fair Web Site Created By Fair Staff
- 2002
- 1st Place Radio Advertising

Miscellaneous Awards

1989-1990

- Rocky Mountain Emmy Award
- Commercial Budget Over \$10,000
- Desert Production Center

1990-1991

- Rocky Mountain Emmy Award
- Commercial Budget \$3,000-\$10,000
- Desert Production Center

1993

- IAFE Outstanding Television Campaign for Fairs Whose Attendance was Over 1,000,000

1994

- 15th Annual Telly Award for Non-Network Television Commercials and Programs and Non-Broadcast Video and Film Productions
- Desert Production Center

1995

- IAFE Outstanding Poster Campaign for Fairs Whose Attendance was Over 1,000,000

1996

- IAFE Outstanding Television Campaign for Fairs Whose Attendance was Over 1,000,000

1998

- APS AzTEC Award Gold Program

Fact: ASF visitors AGAIN recognized the fair for value and customer service...

- ✓ 47% said the ASF had “a great variety, a great value”
- ✓ 43% gave the ASF an “excellent” rating
- ✓ 81% said they would definitely visit the ASF in the future
- ✓ 66% said the additional weekend made them want to come more times

Introduction

We are pleased to be able to again serve The Arizona State Fair (ASF). The findings in this marketing research project include data from the 2000, 2001, 2002, 2003, 2004 and 2005 studies and trend information that can further serve as a guide when making future marketing decisions. All who use this data should feel confident that it accurately reflects the individuals who attended the Arizona State Fair in the year 2005 with regards to their perceptions, attitudes and feelings.

The mission and focus of this project

The mission of this project was to identify and compare the type, kind and profile of The Arizona State Fair population in the year 2005. It needed to survey perception regarding facility, entertainment, systems and specific consumer purchasing habits. Additional focus was given to Internet purchasing activities with queries on usage patterns as well as awareness and recall.

As previously mentioned, this study includes comparisons and establishes benchmarks that are now used as trend lines and performance indicators. This project continually develops new areas where information can be trended to track growth and progress. SEMR prides itself on returning actionable data as we will continue in our effort to make this document a "desk top referral" guide as you plan, discuss and move forward serving the people here in the State of Arizona.

Methodology

This project utilizes the intercept survey method of information gathering. SEMR field technicians were on site at the Arizona State Fairgrounds October 15th through November 6th, 2005, randomly intercepting approximately every 5th state fair attendee asking a series of questions set forth in the SEMR custom-designed survey tool (see index) approved by representatives of ASF. The incentive was a pass for any midway ride.

The ASF site was divided into quadrants A (northwest), B (northeast), C (southwest), and D (southeast) with the sample to equally survey each quadrant. Daily counts, percentages and totals are listed below.

The completed surveys were then entered; tabulated and appropriate formulas were used to return the data in this report.

14-Oct	49	5%
15-Oct	70	7%
16-Oct	54	5%
17-Oct	0	0%
18-Oct	26	2%
19-Oct	61	6%
20-Oct	30	3%
21-Oct	62	6%

22-Oct	64	6%
23-Oct	74	7%
24-Oct	0	0%
25-Oct	36	3%
26-Oct	59	6%
27-Oct	36	3%
28-Oct	55	5%
29-Oct	63	6%

30-Oct	63	6%
1-Nov	39	4%
2-Nov	55	5%
3-Nov	36	3%
4-Nov	57	5%
5-Nov	63	6%
6-Nov	15	1%
total	1,067	100%

ARIZONA EXPOSITION AND STATE FAIR BOARD
FINANCIAL REPORT
June 30, 2006

ARIZONA EXPOSITION AND STATE FAIR BOARD
FINANCIAL REPORT
June 30, 2006

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ARIZONA EXPOSITION AND STATE FAIR BOARD

Consolidated Balance Sheet

Through the month ending

June 30, 2006

<u>Current assets</u>	<u>Current year</u>	<u>Prior year</u>
Cash in bank and on hand	20,500	20,500
Cash on deposit with State Treasurer	113,239	63,288
Investments	5,991,792	3,883,133
Receivables:		
Accounts	68,163	22,661
Accrued interest	0	0
Prepaid expenses	251,834	214,373
Restricted cash on deposit with State Treasurer	14,336	405,217
Restricted investments	<u>857,185</u>	<u>2,283,846</u>
Total current assets	<u>7,317,050</u>	<u>6,893,018</u>
<u>Plant and equipment, at cost</u>		
Land	70,435	70,435
Buildings and improvements (less accumulated depreciation of \$17,421,447)	598,600	907,504
Furniture, vehicles, and equipment (less accumulated depreciation of \$3,876,584)	1,463,402	1,493,441
Improvements other than buildings (less accumulated depreciation of \$1,668,956)	1,273,242	1,426,337
Construction in progress	<u>2,365,406</u>	<u>67,542</u>
Total plant and equipment	<u>5,771,084</u>	<u>3,965,258</u>
Total assets	<u>\$13,088,134</u>	<u>\$10,858,277</u>
<u>Liabilities and Fund Equity</u>		
<u>Current liabilities:</u>		
Accounts payable	\$302,480	\$0
Accrued payroll and employee benefits	\$128,000	\$101,332
Rental deposits	\$154,356	\$134,991
Current obligation under capital leases		
Total current liabilities	584,836	236,323
<u>Long-term liabilities</u>		
Long-term liability for compensated absences	228,793	201,304
Long-term obligations under capital leases	<u>40,395</u>	<u>58,116</u>
Total long-term liabilities	<u>269,187</u>	<u>259,420</u>
Total liabilities	<u>854,024</u>	<u>495,743</u>
Fund equity:		
Retained earnings - Fund 1 (Unreserved)	4,362,589	673,471
Retained earnings - Fund 1 (Reinvention of Grounds)	5,000,000	5,000,000
Retained earnings - Fund 1 (Fair start up)	2,000,000	2,000,000
Retained earnings - Fund 1 (Transfer to Fund 2)	0	-
Retained earnings - Fund 2 (Capital Improvements Only)	<u>871,522</u>	2,689,063
Total fund equity	<u>12,234,110</u>	<u>10,362,534</u>
Total liabilities and fund equity	<u>\$13,088,134</u>	<u>\$10,858,277</u>

See accompanying notes to financial statements.

ARIZONA EXPOSITION AND STATE FAIR BOARD
 Consolidated Statement of Revenues and Expenses
 For the month ending June 30, 2006

	June 2006	June 2005	Increase (DECREASE)
Operating revenues:			
Rentals	0	\$23,564	(\$23,564)
Admissions	0	0	0
Carnival	0	0	0
Parking	0	15,816	(15,816)
Commercial Space	2,480	0	2,480
Food and Liquor Sales	435	4,905	(4,470)
Advance Ticket Sales	0	0	0
Programs and Novelties Sales	1,382	0	1,382
Other	13,505	1,676	11,829
Total operating revenues	17,801	45,960	(28,160)
Operating expenses:			
Payroll (Permanent and temporary)	207,128	174,978	32,150
Employee-Related Expenses	214,353	72,875	141,478
Travel	389	179	210
Entertainers' Fees	0	0	0
Sponsorship In Trade	0	0	0
Professional and Outside Services	6,879	8,713	(1,833)
Advertising, Printing, and public relations	64	120	(56)
Prizes and Awards	0	0	0
Insurance	14,417	18,250	(3,833)
Building and Equipment Rentals	1,429	1,799	(369)
Repairs, Maintenance, and Supplies	74,212	16,767	57,445
Capital Lease Interest	112	159	(47)
Cost of Contract	0	0	0
Depreciation	55,450	104,706	(49,256)
Utilities	54,194	59,207	(5,013)
Other	2,566	2,552	13
Total operating expenses	631,191	460,302	170,889
Operating income(loss)	(613,390)	(414,342)	(199,049)
Nonoperating revenues:			
Pari-mutuel racing receipts	0	7,064	(7,064)
Interest on investments	28,259	16,360	11,899
Sale of capital assets	0	0	0
Total nonoperating revenues	28,259	23,424	4,835
Nonoperating expenses:			
Equipment devaluation-D.V.I. Boards	0	0	0
Other	0	0	0
Total nonoperating expenses	0	0	0
Net income (loss)	(\$585,132)	(\$390,918)	(194,214)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ARIZONA EXPOSITION AND STATE FAIR BOARD
 Consolidated Statement of Revenues and Expenses
 Year-to-Date for the Twelve months ending June 30, 2006

	Year to Date FY06	Year to Date FY05	Increase (Decrease)
Operating revenues:			
Rentals	\$1,070,523	\$1,064,049	\$6,475
Admissions	4,547,604	3,721,941	825,663
Carnival	3,367,183	2,756,196	610,986
Parking	1,671,325	1,648,884	22,441
Commercial space	1,049,023	989,269	59,754
Food and liquor sales	498,726	456,691	42,035
Advance ticket sales	106,850	111,952	(5,102)
Programs and novelties sales	60,002	26,687	33,315
Other	1,688,320	965,634	722,686
Total operating revenues	14,059,557	11,741,304	2,318,253
Operating expenses:			
Payroll (Permanent and temporary)	4,140,686	3,728,871	411,815
Employee-related expenses	1,099,843	825,431	274,412
Travel	23,146	12,248	10,898
Entertainers' fees	1,681,136	1,507,862	173,274
Sponsorship In Trade	764,944	398,505	366,439
Professional and outside services	858,707	943,266	(84,559)
Advertising, printing, and public relations	1,061,192	848,703	212,488
Prizes and awards	147,838	128,492	19,346
Insurance	347,119	445,795	(98,676)
Building and equipment rentals	132,522	114,175	18,348
Repairs, maintenance, and supplies	700,037	529,034	171,002
Capital lease interest	1,601	2,159	(557)
Cost of contract	65,721	84,000	(18,279)
Depreciation	878,538	1,190,033	(311,495)
Utilities	889,196	824,855	64,341
Other	109,735	111,300	(1,565)
Total operating expenses	12,901,961	11,694,729	1,207,232
Operating income(loss)	1,157,595	46,575	1,111,021
Nonoperating revenues:			
Pari-mutuel racing receipts	399,483	407,064	(7,581)
Interest on investments	314,498	117,786	196,712
Sale of capital assets	0	0	0
Total nonoperating revenues	713,981	524,850	189,131
Nonoperating expenses:			
Equipment devaluation-D.V.I. Boards	0	0	0
Other	0	0	0
Total nonoperating expenses	0	0	0
Net income (loss)	\$1,871,577	\$571,425	\$1,300,151

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ARIZONA EXPOSITION AND STATE FAIR BOARD
Statement of Cash Flows
Through the Month Ending May 2006

Cash flows from operating activities:	
Operating income(loss)	\$1,157,595
Adjustments to reconcile operating income(loss) to net cash used for operating activities:	
Depreciation	878,538
Changes in assets and liabilities:	
Increase in:	
Accounts Payable	302,480
Accrued payroll and employee benefits	26,668
Advance deposits	19,365
LT Liability for Compensated Absences	27,489
Decrease in:	
Accounts Receivable	(45,502)
Prepaid Expense	(37,461)
Net cash used for operating activities:	<u>2,329,172</u>
Cash flow from capital and related financing activities	
Pari-mutuel racing receipts	399,482
Acquisition of capital assets	(2,684,364)
Obligation under capital leases	(17,721)
Net cash used for capital and related financing activities	<u>(2,302,603)</u>
Cash flow from non capital and related financing activities	
Residual Equity Transfer Out	<u>0</u>
Net cash used for non capital and related financing activities	<u>0</u>
Cash flows from investing activities:	
Acquisition of investments	(5,144,498)
Proceeds from sales and maturities of investments	4,462,500
Interest on investments	314,498
Net cash provided by investing activities	<u>(367,500)</u>
Net increase in cash and cash equivalents	(340,930)
Cash and cash equivalents, July 1, 2005	489,005
Cash and cash equivalents, June 30, 2006	<u>\$148,075</u>
Cash and cash equivalents, June 30, 2006 consist of:	
Cash in bank and on hand	20,500
Cash on deposit with State Treasurer	113,239
Restricted Cash on deposit with State Treasurer	14,336
Investments	0
Restricted Investments	0
	<u>\$148,075</u>

ARIZONA EXPOSITION AND STATE FAIR BOARD
Notes to Financial Statement
June 30, 2006

- Note 1 - Capital outlay**
Amounts received from pari-mutuel racing receipts and unclaimed property are restricted in use and shall only be used for Capital Improvements.
- Note 2 - Agency Account**
Money's deposited in the Agency Account for events not completed are not included in cash on hand and in the bank. They amounted to \$21,045.86 as of June 30, 2006
- Note 3 - Bonds Payable**
The remaining balance of Coliseum Revenue Bonds, Project of 1964, originally authorized in the amount of \$7,150,000, of which \$6,900,000 was issued were retired in June 1994. The bonds were sold to provide monies to construct and equip the Veteran's Memorial Coliseum.
- Note 4 - Contributed Capital**
In accordance with Laws 1989, Chapter 4, Section 1, the Coliseum transferred \$1,000,000 to the State General Fund. The transaction was reported on the Financial Statement as a residual-equity transfer.
- Note 5 - Residual Equity Transfer**
During the Fiscal year 1991-92 the Coliseum and Exposition Center mandated by Laws 1992, Seventh Special Session, Chapter 3, pertaining to Arizona Revised Statutes Section 23-987 to transfer \$2,000,000 to the State General Fund. The transaction was reported as a transfer of total Contributed Capital and the balance of \$1,106,071 from Retained Earnings.
In accordance with Laws 1999, Senate Bill 1003, 1st Special Session, Section 23, the Arizona Exposition and State Fair transferred \$2,000,000.00 on June 30, 1999 and another \$2,000,000 on July 1, 2000 to the State General Fund. The transactions were reported on the Financial Statement as a residual equity transfer.
In accordance with Laws 2003, 1st Special Session, Chapter 1, the Arizona Exposition and State Fair transferred \$2,000,000.00 on June 04, 2003 to the State General Fund. The transaction was reported on the Financial Statement as a residual equity transfer.
In accordance with Laws 2003, 1st Special Session, Chapter 1, the Arizona Exposition and State Fair transferred \$1,000,000.00 on June 25, 2004 to the State General Fund. The transaction was reported on the Financial Statement as a residual equity transfer.
- Note 6 - Capital Projects in process and new equipment**
Established reserve for capital projects and capital purchases approved by the Board.
- Note 7 - Devaluation of Diamond Vision, Inc., video display system and scoreboards**
The D.V.I. boards were purchased on a sublease and sale agreement on September 1, 1992. Through market research it has been determined that the boards were overvalued. Therefore a one time adjustment was made to devalue the boards to the amount owed. This required an adjustment to Building improvements totaling \$585,635.08, to the accumulated reserve for Building Improvements for \$364,551.46 and a expense charge of \$221,083.62. The adjustment was made as of, Fiscal Year End June 30, 1997.
- Note 8- Other Categories on Pages 2a & 2b include as follows:**
Income - Entry Fees, Other Event Income, Returned Items, Sponsorship, Sponsorship In Trade, and Miscellaneous
Expense- County Fair Aid, Communications, and Miscellaneous

ARIZONA EXPOSITION AND STATE FAIR BOARD INVESTMENT SUMMARY

USTB OUTSTANDING ** STATE TREASURER'S OFFICE ** MONTH END AS OF 30-Jun-06 <--- CHANGE EVERY I

NAME	RATE OF RETURN	DATE OF PURCHASE		COST	FACE AMOUNT	CURRENT DATE	TOTAL ACCRUAL
GENERAL FUND #1	3.5669	25-Feb-03		\$5,572,600.00			
		Reinvestments		\$400,321.46			
			Treasurers Ofc Total	\$5,991,791.96	\$5,991,791.96	30-Jun-06	
TOTAL FUND #1				\$5,991,791.96 #	\$5,991,791.96 #	30-Jun-06	-

RACING FUND #2	3.5669			\$637,500.00			
		Reinvestments		\$219,685.47			
			Treasurers Ofc Total	\$857,185.47	\$857,185.47	30-Jun-06	
				\$857,185.47 #	\$857,185.47 #	30-Jun-06	-

TOTAL ALL FUNDS				\$6,848,977.43 #	\$6,848,977.43	30-Jun-06	\$0.00
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MATURITY BY MONTH AND YEAR BY FUND

MONTH & YEAR	FUND #1	FUND #2	TOTAL
State Treasurer Office	5,991,792	857,185	6,848,977
TOTAL	\$5,991,792	\$857,185	\$6,848,977

C:\MYDOCUMENTS\BOARD\USTB

MULTIPLE EVENTS CASH FLOW ANALYSIS

06/30/06

Account 252-235625

Bank of America

TOTAL

21,045.86

	EVENT NAME	EVENT DATES	AMOUNT
	Beginning Balance		
T1784B05	TER MARK GUN SHOW	05/20-21/2005	5,000.00
AUCTION04	2004 LIVESTOCK AUCTION	OCTOBER 7-24, 2004	2,491.86
AUCTION05	2005 ARIZONA STATE FAIR AUCTION	OCT 14-NOV 6, 2005	13,554.00

2005 ARIZONA STATE FAIR
Revenues and Expenses Current Year Vs. Previous Year

FAIR	Jun-06 Current year	Jun-05 Previous year	Favorable Amount
Operating revenues:			
Admissions	\$4,061,214	3,484,296	\$576,918
Entry Fees	34,782	40,669	(5,887)
Concert Tickets	486,390	237,540	248,850
Parking	753,592	673,012	80,581
Sponsorships	636,543	339,243	297,300
Sponsorships in Trade	764,944	398,505	366,439
Food	29,332	13,366	15,966
Beer and Wine	229,745	214,528	15,217
Programs and Novelties Sales	40,438	22,156	18,282
Rain Insurance Reimbursement	0	0	0
Midway Income-Carnival	3,367,183	2,756,196	610,986
Commercial Space	1,049,023	989,269	59,754
Other Event	50,869	52,596	(1,727)
Cash over(short)-Bad checks	1,306	(496)	1,802
Rentals	1,052	2,088	(1,036)
Personnel Recoveries	6,278	6,432	(154)
Miscellaneous Income	49,495	20,347	29,148
Total operating revenues	11,562,184	9,249,745	2,312,440
Operating expenses:			
Payroll (Permanent and Temp)	2,595,470	2,300,815	(294,655)
Employee Related Expenses	608,695	460,317	(148,377)
Professional Entertainer Fees	1,681,136	1,507,862	(173,274)
Other Professional Services	742,551	825,830	83,279
Travel	23,146	12,248	(10,898)
Advertising	968,341	737,355	(230,985)
Depreciation	279,710	285,636	5,925
Capital Lease Interest	143	189	46
Communications	36,042	33,140	(2,902)
Insurance	188,536	245,045	56,509
Other Lease Rentals	110,923	83,216	(27,707)
Printing and Photography	91,302	110,886	19,584
Maintenance and Repairs	25,291	27,612	2,322
Supplies	275,838	201,043	(74,795)
Clothing and Uniforms	22,366	35,860	13,494
Utilities	185,452	137,042	(48,411)
Cost of Contract	65,721	84,000	18,279
Premium Awards	147,838	128,492	(19,346)
Sponsorships in Trade	764,944	398,505	(366,439)
Other	17,147	24,459	7,312
Total operating expenses	8,830,592	7,639,553	(1,191,038)
Operating income(loss)	2,731,593	1,610,192	1,121,401
Non-operating revenues:			
Racing Receipts	399,483	407,064	(7,581)
Interest on investments	314,498	117,786	196,712
Sale of Capital Assets	0	0	0
Total non-operating revenues	713,981	524,850	189,131
Non-operating expenses	0	0	0
Net income (loss)	\$3,445,574	\$2,135,042	\$1,310,532

Arizona State Fair			
Revenues and Expenses			
'03-'05			
	ASF 2005	ASF 2004	ASF 2003
Operating revenues:			
Admissions	\$ 4,061,213.61	\$ 3,484,295.79	\$ 3,272,701.83
Entry Fees	\$ 34,781.50	\$ 40,668.69	\$ 29,257.00
Concert Tickets	\$ 486,390.00	\$ 237,540.00	\$ 237,570.00
Parking	\$ 753,592.00	\$ 673,011.50	\$ 655,700.00
Sponsorships	\$ 636,542.50	\$ 339,242.50	\$ 240,687.00
Sponsorships in Trade	\$ 764,944.00	\$ 398,505.00	\$ 216,753.00
Food	\$ 29,332.39	\$ 13,366.46	\$ 8,938.32
Beer and Wine	\$ 229,744.62	\$ 214,527.51	\$ 206,043.02
Programs and Novelties Sales	\$ 40,438.10	\$ 22,155.62	\$ 32,748.82
Rain Insurance Reimbursement	\$ -	\$ -	\$ -
Midway Income-Carnival	\$ 3,367,182.74	\$ 2,756,196.33	\$ 2,473,915.80
Commercial Space	\$ 1,049,022.80	\$ 989,268.77	\$ 1,054,002.44
Other Event	\$ 50,869.15	\$ 52,595.88	\$ 60,427.04
Cash over(short)-Bad checks	\$ 1,306.05	\$ (495.70)	\$ 487.84
Rentals	\$ 1,052.00	\$ 2,087.80	\$ 1,602.00
Personnel Recoveries	\$ 6,278.00	\$ 6,432.00	\$ 7,627.00
Miscellaneous Income	\$ 49,495.01	\$ 20,346.75	\$ 15,606.21
Total operating revenues:	\$ 11,562,184.47	\$ 9,249,744.90	\$ 8,514,067.32
Operating expenses:			
Payroll (Permanent and Temp)	\$ 2,595,470.37	\$ 2,300,815.40	\$ 2,167,786.77
Employee Related Expenses	\$ 608,694.55	\$ 460,317.14	\$ 386,471.46
Professional Entertainer Fees	\$ 1,681,135.90	\$ 1,507,862.00	\$ 1,472,050.00
Other Professional Services	\$ 742,551.27	\$ 825,830.20	\$ 685,989.10
Travel	\$ 23,146.44	\$ 12,248.32	\$ 23,853.62
Advertising	\$ 968,340.60	\$ 737,355.41	\$ 666,848.55
Depreciation	\$ 279,710.31	\$ 285,635.50	\$ 269,224.66
Capital Lease Interest	\$ 143.30	\$ 189.44	\$ 234.12
Communications	\$ 36,041.98	\$ 33,139.79	\$ 19,189.69
Insurance	\$ 188,535.67	\$ 245,045.00	\$ 228,704.00
Other Lease Rentals	\$ 110,923.30	\$ 83,216.29	\$ 90,278.27
Printing and Photography	\$ 91,301.63	\$ 110,886.01	\$ 140,012.42
Maintenance and Repairs	\$ 25,290.60	\$ 27,612.40	\$ 47,395.83
Supplies	\$ 275,837.82	\$ 201,042.62	\$ 190,299.98
Clothing and Uniforms	\$ 22,365.57	\$ 35,859.93	\$ 24,586.68
Utilities	\$ 185,452.31	\$ 137,041.69	\$ 194,042.52
Cost of Contract	\$ 65,721.00	\$ 84,000.00	\$ -
Premium Awards	\$ 147,837.72	\$ 128,491.71	\$ 119,524.60
Sponsorships in Trade	\$ 764,944.00	\$ 398,505.00	\$ 349,981.00
Other	\$ 17,147.18	\$ 24,459.33	\$ 12,524.88
Total operating expenses:	\$ 8,830,591.52	\$ 7,639,553.18	\$ 7,088,998.15
Operating income (loss)	\$ 2,731,592.95	\$ 1,610,191.72	\$ 1,425,069.17

Arizona State Legislature

Bill # Search

Forty-seventh Legislature - Second Regular Session

change session

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House

Leg. Agencies

Bills

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ARIZONA STATE LEGISLATURE

INTERIM MEETING NOTICE OPEN TO THE PUBLIC

SENATE GOVERNMENT AND HOUSE GOVERNMENT REFORM AND GOVERNMENT F
ACCOUNTABILITY COMMITTEE OF REFERENCE SUNSET OF THE ARIZONA EXPOSIT
STATE FAIR BOARD

Date: Wednesday, November 29, 2006

Time: 9:35 a.m.

Place: HHR 3

AGENDA

1. Call to Order
2. Opening Remarks
3. Presentation by Executive Director, Don B. West
4. Public Testimony
5. Discussion
6. Recommendations by the Committee of Reference
7. Adjourn

Members:

Senator Jim Waring, Co-Chair
Senator Ed Ableser

Representative Bill Konopnicki, Co-Chair
Representative Cheryl Chase

Senator Bill Brotherton
Senator Jake Flake
Senator Linda Gray

Representative Phil Lopes
Representative John McComish
Representative John Nelson

11/27/06

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ARIZONA STATE LEGISLATURE
Forty-seventh Legislature – Second Regular Session

SENATE GOVERNMENT AND HOUSE GOVERNMENT REFORM AND
GOVERNMENT FINANCE ACCOUNTABILITY
COMMITTEE OF REFERENCE SUNSET OF THE ARIZONA EXPOSITION
AND STATE FAIR BOARD

Minutes of Meeting
Wednesday, November 29, 2006
House Hearing Room 3 -- 9:35 a.m.

Chairman Konopnicki called the meeting to order at 10:19 a.m. and attendance was noted by the secretary.

Members Present

Senator Ableser
Senator Brotherton
Senator Flake
Senator Gray
Senator Waring, Cochair

Representative Downing
Representative Kirk Adams
Representative Konopnicki, Cochair

Members Absent

Representative Lopes
Representative McComish

Speakers Present

Don B. West, Executive Director, Arizona Exposition and State Fair Board
Alberto Gutier, Lobbyist, Gutier Group/RCS

PRESENTATION BY EXECUTIVE DIRECTOR, DON B. WEST

Don B. West, Executive Director, Arizona Exposition and State Fair Board, gave a slide presentation on the agency. He indicated that the agency's two primary statutory purposes are to conduct state fairs and other types of entertainment and defray expenses so it is not a financial burden on the state. The fairgrounds consists of 96 acres and is located at 19th Avenue & McDowell. The state fair this past year was the most successful in Arizona history with 1.3 million people attending. The Arizona fair is now ranked fifth in the country by attendance.

He said 80 cents of every dollar the fairgrounds earns is earned by the state fair. When the state fair ends, there is a very aggressive non-fair event schedule with just under 240 events, which brings in about 20 percent of the agency's revenue. No money is received from the general fund;

in fact, the last request received from the general fund was in the late 1980s to refurbish the coliseum. The state fair contributed \$9 million to the general fund over the past 12 years and \$10 million to the general fund over the past 16 years.

Mr. West related that in 2003, the Arizona State University (ASU) Center for Business Research conducted an economic impact study and found that the state fair has a \$50 million economic impact on the state's gross product, \$6 million was generated from various taxes (including sales and income), and during the state fair alone, about 1,800 jobs were created. At that time, the state fair was 18 days. It now runs 21 days, so the economic impact has probably grown to some degree.

He conveyed that one of the aims of the state fair is to educate, so a Read and Ride program was created where children read three books to receive three carnival rides. The program began three years ago and over 17,000 books were read this past year. Thousands of students enter competitions at the state fair, and thousands and thousands of children attend the fair free of charge as part of school field trips to learn about livestock and agriculture. An animal auction is held every fair, and this past year, \$50,000 was raised in auction proceeds that benefit youth scholarships. There were almost 15,000 different entries across the state; 11,000 competitive and almost 4,000 in livestock, and half of the livestock entries were from outside Maricopa County. New to the fair this year is a 20,000 square foot interactive farm in which 300,000 guests walked through and participated. The fairgrounds is also the home of the Arizona National Livestock show and the Maricopa County fair, which have substantive and major impacts on the livestock and agriculture industries.

Mr. West related that recently the fairgrounds became an emergency resource center. On Labor Day weekend in September 2005, he received a call late Friday night, and by Sunday the coliseum was completely mobilized and staff was ready to begin receiving evacuees from Hurricane Katrina. Over 1,000 evacuees stayed in the facilities for over three weeks, and shortly thereafter, a very successful state fair was conducted. This past year, over 80 training exercises were held free of charge by police and fire service people. He will also shortly be meeting with the Department of Emergency Management to discuss the fairgrounds' further role as a disaster staging area. Additionally, the fairgrounds is a government resource. The Department of Economic Security, the Arizona Department of Administration and the Arizona Department of Transportation use the facilities. Staff take equipment, personnel and expertise off-site, contributed to the 9/11 Memorial and helped with the Governor's Appreciation event.

He indicated that 97 percent of fairgoers in the most recent survey rated the experience as good or excellent. It is the nation's smallest fairgrounds. Seventy-five percent of the space is committed to livestock, agriculture, education and youth activities. Over 30 percent of the people that attend the fair are from Scottsdale and other East Valley communities, and that trend has been increasing in the last two or three years. Over the decade, the fairgrounds won just under 100 industry awards.

Mr. West advised Senator Gray that this is the first year the 20,000 square foot farm was set up. It is patterned after similar farm programs across the country and was very successful. He related to Senator Ableser that during the non-fair period a series of events are held, including home and garden shows and gun shows, which are very lucrative for the fairgrounds. The

remainder of the calendar is filled out with “mom and pop” events like antique markets, the Junior League rummage sale and the volunteer nurses’ book sale. Occasionally events are held in the coliseum, such as cheerleading, but the grounds primarily generate the revenue.

When Senator Waring asked how many people attend the state fair from outside Maricopa County, Mr. West replied that according to the latest survey, 30 percent were from Scottsdale, 30 percent from the West Valley, 20 percent from the North Valley, and about 10 percent from outside Maricopa County (including people from out of state).

Senator Waring speculated that people in Yuma attend the Yuma fair. Mr. West agreed, noting that there is a very strong network of county fairs across the state. Senator Waring commented that people in the outlying counties have something to go to that is comparable, and therefore, are not being cheated, which is always a bone of contention with Legislators.

Senator Brotherton remarked that livestock and agriculture people in outlying counties, such as 4-H participants, look forward to going to the state fair, as was the case with Senator Flake years ago when he played in the band at the state fair.

Senator Flake stated that he played the trombone in the marching band when he was a freshman in high school. The band was invited, along with many other high school bands, to march the midway, and he had never seen anything like it before. He was so enthralled with the carnival that he never saw the agriculture exhibits. He has a grandson who raised exotic chickens when he was about eight years old and entered a few in the state fair. One of the chickens won a prize. He never saw a boy so excited when he showed up at the state fair and his grandson showed him around. It is a very worthwhile organization. About three years ago, there was talk about selling the fairgrounds when the state was going through economic difficulties, but he is glad that never happened.

Mr. West advised Senator Waring that the first event was held in the stadium in 1964. There was a full concert schedule this year during the state fair, so the building was checked from stem to stern prior to opening. It is in relatively good shape, as good as a building 40 years old can be, but its condition is continuously and carefully monitored.

Senator Brotherton said he worked with Mr. West before he was Executive Director. Mr. West is from Yuma, so he is aware of the concerns of people in rural areas. Senator Brotherton said he also believes the state fair is a very worthwhile organization. In his household, the state fair is perceived as the beginning of the holiday season. It is a great event that he and his family attend about three times during the run of the state fair.

Senator Flake asked if every county has a booth at the state fair. Mr. West replied that each county was represented by booths in the past, but in relation to Senator Waring’s question about interfacing with outlying counties, a program was implemented over the last few years called County Outreach where staff drive to the counties to pick up competitive entries, judge the entries, and return the entries to increase interaction with people outside Maricopa County.

Mr. West related to Senator Ableser that Maricopa County has a fair. It is a nonprofit event that is not regulated by the county. The fairgrounds has been home to that fair for many years and provides as much support as possible.

Chairman Konopnicki asked if efforts have been made to find a location with additional space. Mr. West answered that he would love to find a site that would more adequately showcase what the agency has to offer. Other fairs with more attendance generally range from 300 to 400 acres. If a location could be found not too far outside the main part of Maricopa County, relocation would be considered. Several locations have been looked at, but at this point, trying to find the appropriate location appears to be problematic, and there is a funding issue.

Senator Brotherton indicated that he and his family found the fair environment to be safe and secure, but unfortunately, people have gotten the wrong impression about it at times. His district runs along 19th Avenue, which includes the west side of the fairgrounds. The agency tries to work with the neighborhoods, and the wall that was built around the fairgrounds made the property look much better. A study was conducted that showed an East Valley location as #1, North Phoenix #2, leave the fairgrounds as is #3 and the West side #4; however, people in North Phoenix and the East Valley were not in favor of having the fair in those areas. Where it is presently located is working well with the neighborhoods, and it is going to be difficult to find a location and relocate as the cost years ago was about \$50 million. The fair could not provide that much money, so an appropriation would be needed from the Legislature.

Mr. West clarified that the price tag three years ago was \$50 million for the land and \$50 million for infrastructure.

Chairman Konopnicki said the only way the funds could be generated is if the fairgrounds could be sold for enough to be able to purchase a less expensive property, which is a tough assignment.

Mr. Downing thanked Mr. West for the presentation. He remarked that everything he learned about life he learned at the county fair. When he was about 10 years old, he entered a chocolate pie-eating contest. He did not have to pay for it and he ate one pie after another. He won the contest for his age class only to find the prize was another pie.

PUBLIC TESTIMONY

Alberto Gutier, Lobbyist, Gutier Group/RCS, advised that RCS is a Phoenix company that conducts state fairs in Texas, California and other states. The state fair is a great operation. He, Senator Flake and others have been talking for years about keeping the state fair in the present location. It is an asset for families that cannot afford to go to Hawaii or Disneyland whose children can raise \$100 over a period of six months to go to the state fair and eat fry bread and fried Twinkies. It is something to look forward to. He asked the Members to maintain the state fair as it is.

Senator Flake said he has many great memories from the state fair. When his granddaughter was only about eight he asked her parents if he could take her on a date to the fair. Her parents said yes, but she needed to be home about 8:00 or 9:00 p.m. He bought a block of tickets for the

rides, but at 9:00 p.m., he still had several tickets. Her parents were worried, but he and his granddaughter had the greatest time.

RECOMMENDATIONS

Senator Waring moved that the Committee of Reference recommend a 10-year continuation for the Arizona Exposition and State Fair Board. The motion carried.

Without objection, the meeting adjourned at 10:55 a.m.



Linda Taylor, Committee Secretary
December 4, 2006

(Original minutes and tape are on file in the Office of the Chief Clerk.)