

CONTRACT AUDIT

**OKLAHOMA HORSE RACING COMMISSION
AUDIT REPORT OF GAMING OPERATIONS
WILL ROGERS DOWNS AND REMINGTON PARK**

May 2014



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**OKLAHOMA HORSE RACING COMMISSION
AUDIT REPORT OF GAMING OPERATIONS
WILL ROGERS DOWNS AND REMINGTON PARK
MAY 2014**

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Oklahoma State Auditor & Inspector

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June 16, 2014

**TO THE MEMBERS OF THE OKLAHOMA
HORSE RACING COMMISSION**

Transmitted herewith is the Audit Report of Gaming Operations for Will Rogers Downs and Remington Park for the month of May 2014. The report is the result of our monitoring and data accumulation in accordance with the State Auditor and Inspector's contract with the Oklahoma Horse Racing Commission (OHRC) and Title 3A of the Oklahoma Statutes for Gaming.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our Office during our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being the most prominent part.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**OKLAHOMA HORSE RACING COMMISSION
Audit Report of Gaming Operations
Will Rogers Downs and Remington Park
For the Month of May 2014**

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TO THE MEMBERS OF THE OKLAHOMA HORSE RACING COMMISSION

We performed an audit in accordance with the OHRC Gaming Contract and Title 3A of the Oklahoma Statutes for Gaming. The information presented in this report is derived from gaming data obtained from the gaming vendors and licensees located at Will Rogers Downs and Remington Park for the month of May 2014.

Because our procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express such an opinion on the information. This report relates only to this information and does not extend to any financial statements of the racetracks or racinos.

In planning and performing these procedures, we considered the internal control structure of the gaming departments; however, our procedures were substantially less in scope than the procedures we would have applied if we had been engaged to express an opinion on the internal controls. Accordingly, we do not express an opinion on their internal control structure.

Sincerely,

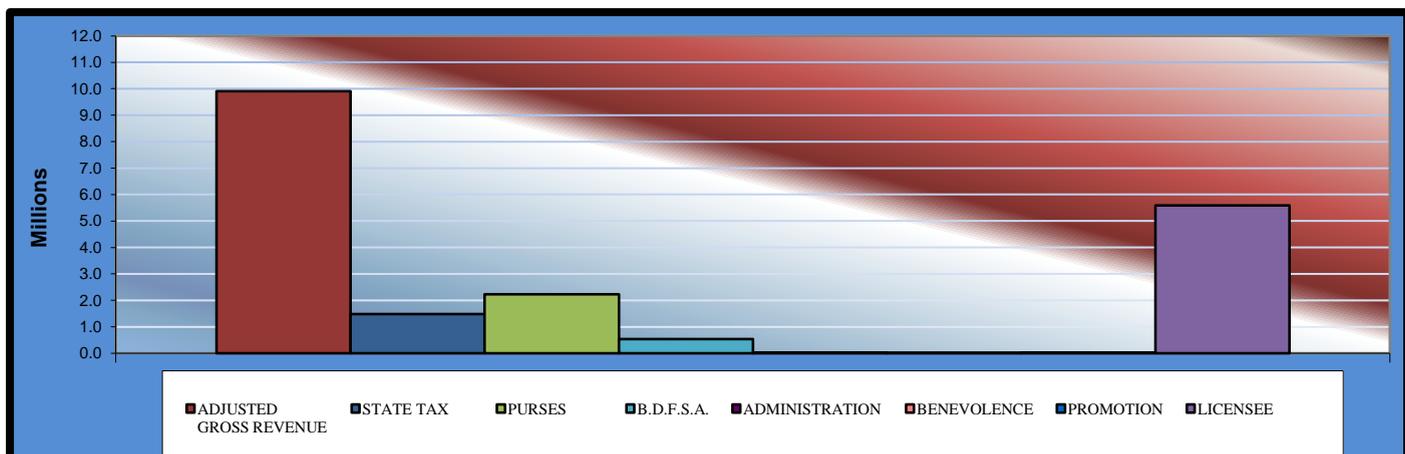
A handwritten signature in blue ink, appearing to read "Gary A. Jones".

**GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR**

June 16, 2014

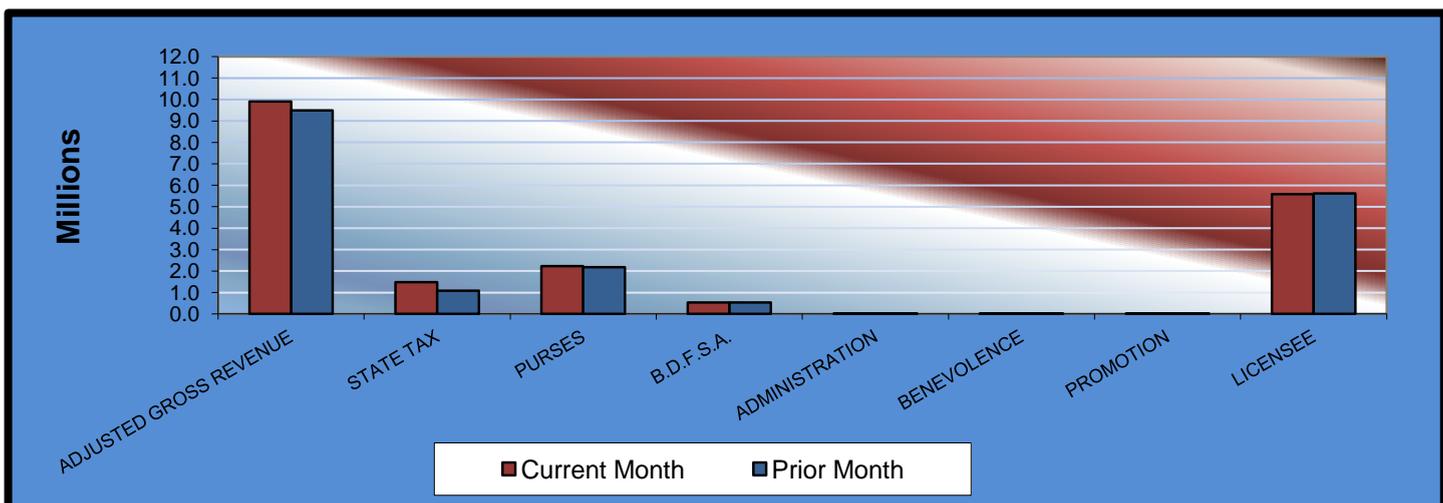
Gaming at Oklahoma Horse Racing Tracks Will Rogers Downs and Remington Park Total Gaming Revenue May 2014

| | <u>TOTAL</u> | <u>WILL ROGERS DOWNS</u> | <u>REMINGTON PARK</u> |
|-----------------------------|-----------------------|----------------------------------|---------------------------|
| Gaming Days This Month | 62 | 31 | 31 |
| Adjusted Gross Revenue | <u>\$9,910,262.74</u> | <u>\$1,446,681.11</u> | <u>\$8,463,581.63</u> |
| State Tax | | | |
| Higher Education Trust Fund | 177,619.14 | 17,360.17 | 160,258.97 |
| Education Reform | 1,302,540.39 | 127,307.94 | 1,175,232.45 |
| Purse Fund | | | |
| <u>Purses</u> | | | |
| Thoroughbred | 1,115,660.69 | 157,326.57 | 958,334.12 |
| Quarterhorse | 984,277.82 | 144,035.19 | 840,242.63 |
| Paint & Appaloosa | 125,439.47 | 16,003.90 | 109,435.57 |
| Breeding Development Fund | | | |
| <u>Special Account</u> | | | |
| Thoroughbred | 266,299.72 | 18,987.69 | 247,312.03 |
| Quarterhorse | 259,486.56 | 14,647.65 | 244,838.91 |
| Paint & Appaloosa | 12,756.56 | 1,627.52 | 11,129.04 |
| <u>Administration</u> | | | |
| Thoroughbred | 14,173.95 | 1,808.35 | 12,365.60 |
| Quarterhorse | 12,756.56 | 1,627.52 | 11,129.04 |
| Paint & Appaloosa | 1,417.40 | 180.84 | 1,236.56 |
| <u>Benevolence</u> | | | |
| Thoroughbred | 7,086.98 | 904.18 | 6,182.80 |
| Quarterhorse | 6,378.26 | 813.74 | 5,564.52 |
| Paint & Appaloosa | 708.70 | 90.42 | 618.28 |
| <u>Promotions</u> | | | |
| Thoroughbred | 14,173.95 | 1,808.35 | 12,365.60 |
| Quarterhorse | 12,756.56 | 1,627.52 | 11,129.04 |
| Paint & Appaloosa | 1,417.40 | 180.84 | 1,236.56 |
| Licensee | \$5,595,312.63 | \$940,342.72 | \$4,654,969.91 |



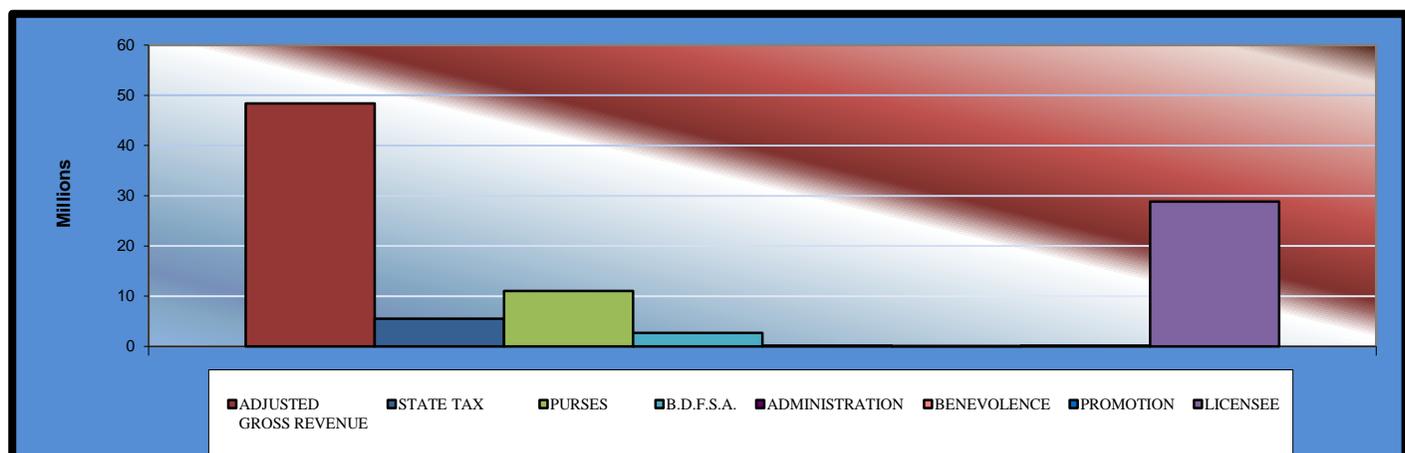
**Gaming at Oklahoma Horse Racing Tracks
Will Rogers and Remington Park
Comparison of Prior Month and Prior Year Month
May 2014**

| | <u>TOTAL</u> | <u>PRIOR MONTH</u> | <u>% CHANGE</u> | <u>PRIOR YEAR</u> | <u>% CHANGE</u> |
|----------------------------------|----------------|--------------------|-----------------|-------------------|-----------------|
| Gaming Days | 62 | 60 | 3.33% | 62 | 0.00% |
| Adjusted Gross Revenue | \$9,910,262.74 | \$9,498,122.90 | 4.34% | \$9,914,206.89 | -0.04% |
| State Tax | | | | | |
| Higher Education Trust Fund | 177,619.14 | 131,110.49 | 35.47% | 170,462.71 | 4.20% |
| Education Reform | 1,302,540.39 | 961,476.90 | 35.47% | 1,250,059.88 | 4.20% |
| Purse Fund | | | | | |
| <u>Purses</u> | | | | | |
| Thoroughbred | 1,115,660.69 | 1,094,172.36 | 1.96% | 1,156,488.48 | -3.53% |
| Quarterhorse | 984,277.82 | 964,951.08 | 2.00% | 999,845.77 | -1.56% |
| Paint & Appaloosa | 125,439.47 | 123,142.18 | 1.87% | 126,945.70 | -1.19% |
| <u>Breeding Development Fund</u> | | | | | |
| <u>Special Account</u> | | | | | |
| Thoroughbred | 266,299.72 | 262,478.72 | 1.46% | 242,065.76 | 10.01% |
| Quarterhorse | 259,486.56 | 256,034.89 | 1.35% | 258,853.05 | 0.24% |
| Paint & Appaloosa | 12,756.56 | 12,522.93 | 1.87% | 12,909.73 | -1.19% |
| <u>Administration</u> | | | | | |
| Thoroughbred | 14,173.95 | 13,914.37 | 1.87% | 14,344.15 | -1.19% |
| Quarterhorse | 12,756.56 | 12,522.93 | 1.87% | 12,909.73 | -1.19% |
| Paint & Appaloosa | 1,417.40 | 1,391.44 | 1.87% | 1,434.41 | -1.19% |
| <u>Benevolence</u> | | | | | |
| Thoroughbred | 7,086.98 | 6,957.19 | 1.87% | 7,172.08 | -1.19% |
| Quarterhorse | 6,378.26 | 6,261.46 | 1.87% | 6,454.86 | -1.19% |
| Paint & Appaloosa | 708.70 | 695.71 | 1.87% | 717.21 | -1.19% |
| <u>Promotions</u> | | | | | |
| Thoroughbred | 14,173.95 | 13,914.37 | 1.87% | 14,344.15 | -1.19% |
| Quarterhorse | 12,756.56 | 12,522.93 | 1.87% | 12,909.73 | -1.19% |
| Paint & Appaloosa | 1,417.40 | 1,391.44 | 1.87% | 1,434.41 | -1.19% |
| Licensee | \$5,595,312.63 | \$5,622,661.51 | -0.49% | \$5,624,855.08 | -0.53% |



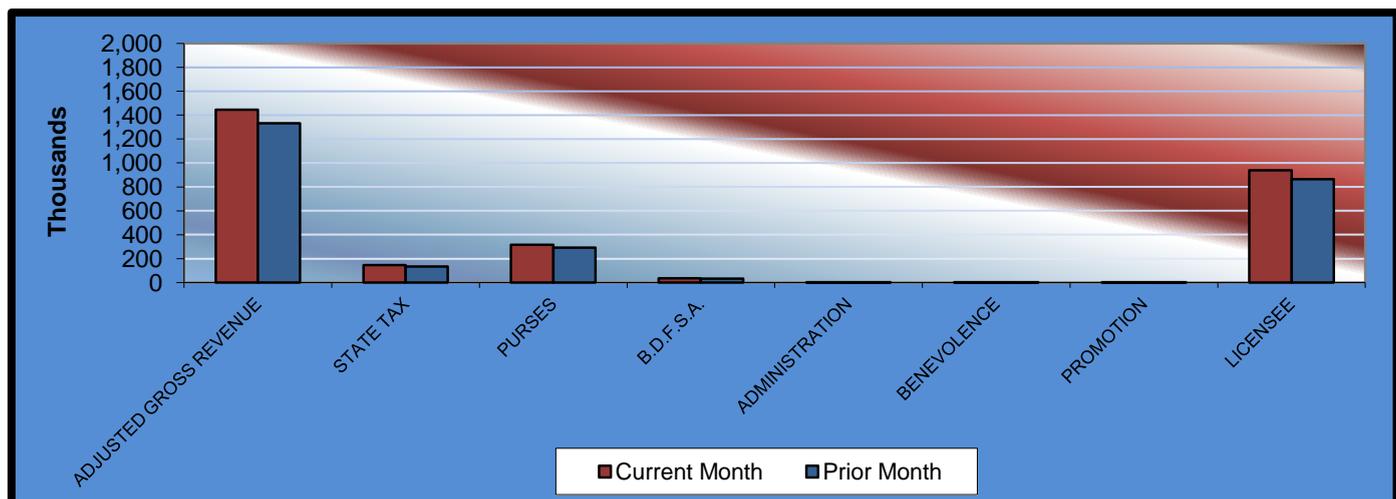
Gaming at Oklahoma Horse Racing Tracks Will Rogers Downs and Remington Park Year to Date Gaming Totals May 2014

| | <u>TOTAL</u> | <u>WILL ROGERS DOWNS</u> | <u>REMINGTON PARK</u> |
|-----------------------------|------------------------|----------------------------------|---------------------------|
| Gaming Days This Year | 302 | 151 | 151 |
| Adjusted Gross Revenue | <u>\$48,373,993.84</u> | <u>\$7,054,910.34</u> | <u>\$41,319,083.50</u> |
| State Tax | | | |
| Higher Education Trust Fund | 656,316.93 | 84,658.93 | 571,658.00 |
| Education Reform | 4,812,990.81 | 620,832.11 | 4,192,158.70 |
| Purse Fund | | | |
| <u>Purses</u> | | | |
| Thoroughbred | 5,545,007.71 | 767,221.50 | 4,777,786.21 |
| Quarterhorse | 4,891,444.16 | 702,404.50 | 4,189,039.66 |
| Paint & Appaloosa | 623,637.30 | 78,044.95 | 545,592.35 |
| Breeding Development Fund | | | |
| <u>Special Account</u> | | | |
| Thoroughbred | 1,325,572.79 | 92,595.70 | 1,232,977.09 |
| Quarterhorse | 1,292,078.28 | 71,430.97 | 1,220,647.31 |
| Paint & Appaloosa | 63,420.74 | 7,936.77 | 55,483.97 |
| <u>Administration</u> | | | |
| Thoroughbred | 70,467.49 | 8,818.64 | 61,648.85 |
| Quarterhorse | 63,420.74 | 7,936.77 | 55,483.97 |
| Paint & Appaloosa | 7,046.74 | 881.86 | 6,164.88 |
| <u>Benevolence</u> | | | |
| Thoroughbred | 35,233.79 | 4,409.36 | 30,824.43 |
| Quarterhorse | 31,710.36 | 3,968.36 | 27,742.00 |
| Paint & Appaloosa | 3,523.37 | 440.93 | 3,082.44 |
| <u>Promotions</u> | | | |
| Thoroughbred | 70,467.49 | 8,818.64 | 61,648.85 |
| Quarterhorse | 63,420.74 | 7,936.77 | 55,483.97 |
| Paint & Appaloosa | 7,046.74 | 881.86 | 6,164.88 |
| Licensee | \$28,811,187.66 | \$4,585,691.72 | \$24,225,495.94 |



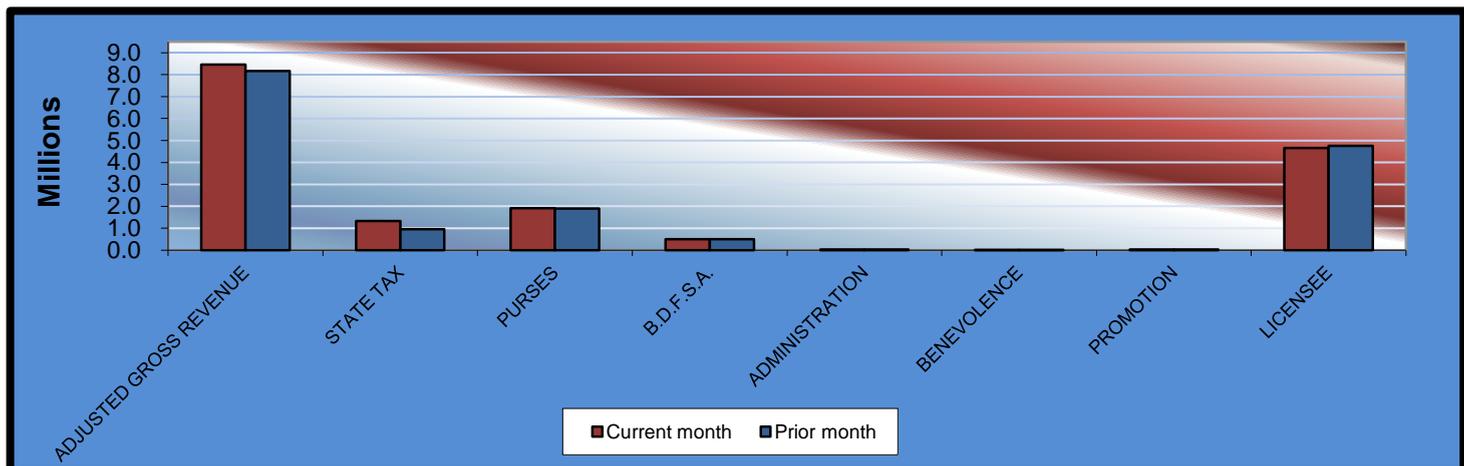
**Gaming at Oklahoma Horse Racing Tracks
Will Rogers Downs and Remington Park
Will Rogers Downs Revenue
May 2014**

| <u>Will Rogers Downs</u> | <u>CURRENT MONTH</u> | <u>PRIOR MONTH</u> | <u>% CHANGE</u> | <u>May 2013</u> | <u>% CHANGE</u> |
|-----------------------------|--------------------------|------------------------|---------------------|-----------------------|---------------------|
| Gaming Days | 31 | 30 | 3.33% | 31 | 0.00% |
| Adjusted Gross Revenue | \$1,446,681.11 | \$1,331,257.18 | 8.67% | \$1,720,412.88 | -15.91% |
| State Tax | | | | | |
| Higher Education Trust Fund | 17,360.17 | 15,975.09 | 8.67% | 20,644.95 | -15.91% |
| Education Reform | 127,307.94 | 117,150.63 | 8.67% | 151,396.33 | -15.91% |
| Purse Fund | | | | | |
| <u>Purses</u> | | | | | |
| Thoroughbred | 157,326.57 | 144,774.22 | 8.67% | 187,094.90 | -15.91% |
| Quarterhorse | 144,035.19 | 132,543.29 | 8.67% | 171,288.61 | -15.91% |
| Paint & Appaloosa | 16,003.90 | 14,727.04 | 8.67% | 19,032.07 | -15.91% |
| Breeding Development Fund | | | | | |
| <u>Special Account</u> | | | | | |
| Thoroughbred | 18,987.69 | 17,472.75 | 8.67% | 22,580.42 | -15.91% |
| Quarterhorse | 14,647.65 | 13,478.98 | 8.67% | 17,419.18 | -15.91% |
| Paint & Appaloosa | 1,627.52 | 1,497.66 | 8.67% | 1,935.46 | -15.91% |
| <u>Administration</u> | | | | | |
| Thoroughbred | 1,808.35 | 1,664.07 | 8.67% | 2,150.52 | -15.91% |
| Quarterhorse | 1,627.52 | 1,497.66 | 8.67% | 1,935.46 | -15.91% |
| Paint & Appaloosa | 180.84 | 166.41 | 8.67% | 215.05 | -15.91% |
| <u>Benevolence</u> | | | | | |
| Thoroughbred | 904.18 | 832.04 | 8.67% | 1,075.27 | -15.91% |
| Quarterhorse | 813.74 | 748.83 | 8.67% | 967.73 | -15.91% |
| Paint & Appaloosa | 90.42 | 83.20 | 8.68% | 107.53 | -15.91% |
| <u>Promotions</u> | | | | | |
| Thoroughbred | 1,808.35 | 1,664.07 | 8.67% | 2,150.52 | -15.91% |
| Quarterhorse | 1,627.52 | 1,497.66 | 8.67% | 1,935.46 | -15.91% |
| Paint & Appaloosa | 180.84 | 166.41 | 8.67% | 215.05 | -15.91% |
| Licensee | \$940,342.72 | \$865,317.17 | 8.67% | \$1,118,268.37 | -15.91% |

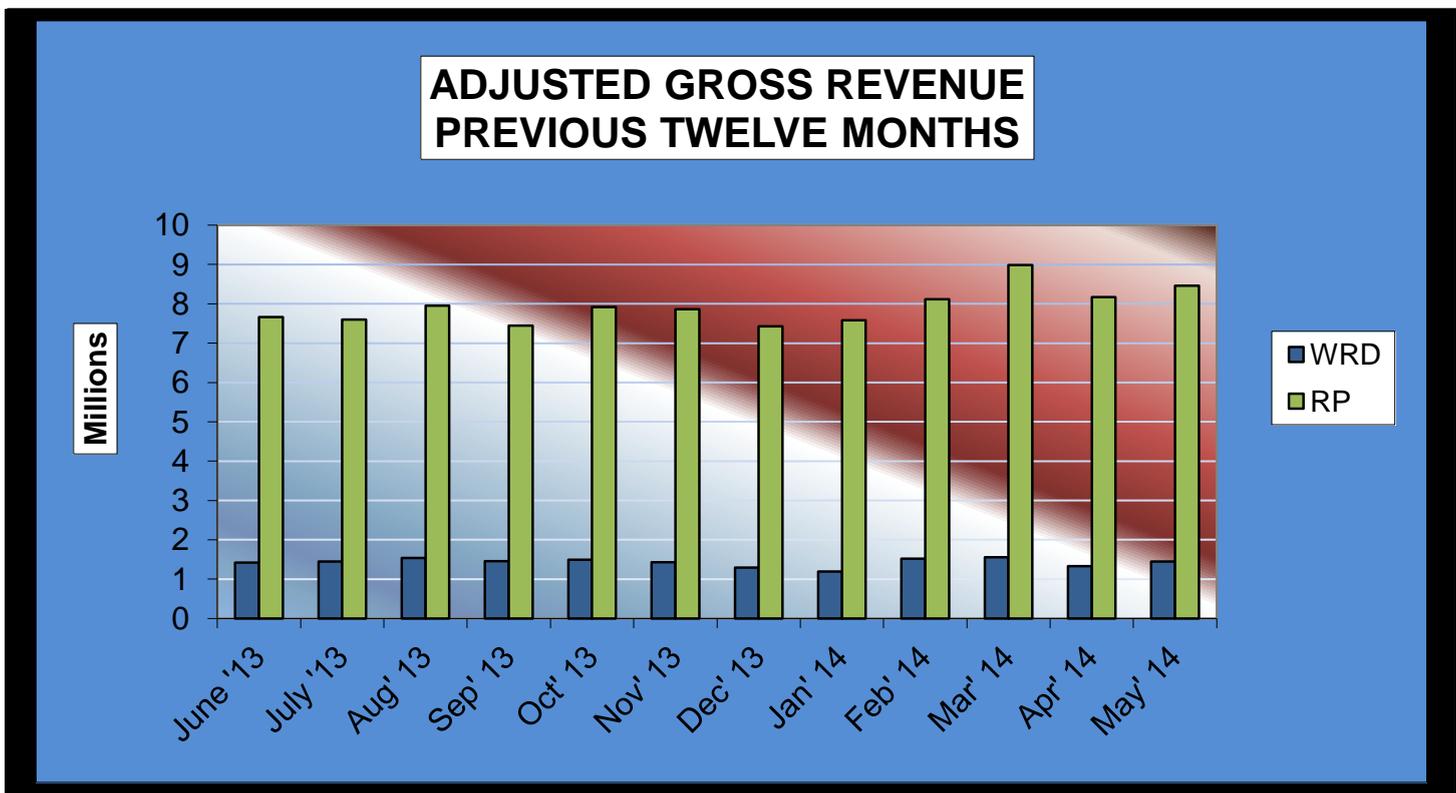


**Gaming at Oklahoma Horse Racing Tracks
Will Rogers Downs and Remington Park
Remington Park Revenue
May 2014**

| <u>Remington Park</u> | <u>CURRENT MONTH</u> | <u>PRIOR MONTH</u> | <u>% CHANGE</u> | <u>May 2013</u> | <u>% CHANGE</u> |
|-----------------------------|----------------------|--------------------|-----------------|-----------------|-----------------|
| Gaming Days | 31 | 30 | 3.33% | 31 | 0.00% |
| Adjusted Gross Revenue | 8,463,581.63 | \$8,166,865.72 | 3.63% | \$8,193,794.01 | 3.29% |
| State Tax | | | | | |
| Higher Education Trust Fund | 160,258.97 | 115,135.40 | 39.19% | 149,817.76 | 6.97% |
| Education Reform | 1,175,232.45 | 844,326.27 | 39.19% | 1,098,663.55 | 6.97% |
| Purse Fund | | | | | |
| <u>Purses</u> | | | | | |
| Thoroughbred | 958,334.12 | 949,398.14 | 0.94% | 969,393.58 | -1.14% |
| Quarterhorse | 840,242.63 | 832,407.79 | 0.94% | 828,557.16 | 1.41% |
| Paint & Appaloosa | 109,435.57 | 108,415.14 | 0.94% | 107,913.63 | 1.41% |
| Breeding Development Fund | | | | | |
| <u>Special Account</u> | | | | | |
| Thoroughbred | 247,312.03 | 245,005.97 | 0.94% | 219,485.34 | 12.68% |
| Quarterhorse | 244,838.91 | 242,555.91 | 0.94% | 241,433.87 | 1.41% |
| Paint & Appaloosa | 11,129.04 | 11,025.27 | 0.94% | 10,974.27 | 1.41% |
| <u>Administration</u> | | | | | |
| Thoroughbred | 12,365.60 | 12,250.30 | 0.94% | 12,193.63 | 1.41% |
| Quarterhorse | 11,129.04 | 11,025.27 | 0.94% | 10,974.27 | 1.41% |
| Paint & Appaloosa | 1,236.56 | 1,225.03 | 0.94% | 1,219.36 | 1.41% |
| <u>Benevolence</u> | | | | | |
| Thoroughbred | 6,182.80 | 6,125.15 | 0.94% | 6,096.81 | 1.41% |
| Quarterhorse | 5,564.52 | 5,512.63 | 0.94% | 5,487.13 | 1.41% |
| Paint & Appaloosa | 618.28 | 612.51 | 0.94% | 609.68 | 1.41% |
| <u>Promotions</u> | | | | | |
| Thoroughbred | 12,365.60 | 12,250.30 | 0.94% | 12,193.63 | 1.41% |
| Quarterhorse | 11,129.04 | 11,025.27 | 0.94% | 10,974.27 | 1.41% |
| Paint & Appaloosa | 1,236.56 | 1,225.03 | 0.94% | 1,219.36 | 1.41% |
| Licensee | \$4,654,969.91 | \$4,757,344.34 | -2.15% | \$4,506,586.71 | 3.29% |



Gaming at Oklahoma Horse Racing Tracks
Will Rogers and Remington Park
Prior Twelve Month Graph
May 2014





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