

AMENDED AGENDA
(Amended Items in Bold)
KANSAS RACING AND GAMING COMMISSION
10:00 am, Friday, April 9, 2010

AUDITORIUM A
Dwight D. Eisenhower State Office Building
700 SW Harrison, Suite 450
Topeka, Kansas

A. CALL TO ORDER

B. APPROVAL OF THE AGENDA

C. APPROVAL OF MINUTES

1. [Minutes of March 12, 2010](#)

D. CONSENT AGENDA

Items listed on the consent agenda are a variety of different contracts and items which are routine in nature. If requested by a Commissioner, an item on the consent agenda may be removed from the Consent Agenda and placed under Commission Items for further discussion and consideration.

1. Electronic Gaming Machines and Electronic Lottery Facility Games
 - a. [Staff Memo](#)
 - b. [EGM Approvals](#)

E. KANSAS LOTTERY COMMISSION REPORT

F. LOTTERY GAMING FACILITY REPORTS/ITEMS

1. Boot Hill Casino and Resort
 - a. [March 2010 Gaming Revenue Report](#)
2. Hollywood Casino at Kansas Speedway

G. COMMISSION ITEMS

1. Semi-annual activity report of inspections and investigations of bingo operations

Commission Action: *Discussion*

Staff Presentation: Patrick Martin, Assistant Attorney General
Patsy Congrove, Department of Revenue

- a. [ABC Activity Report](#)

2. KHA Reimbursement from Kansas Bred Program

Commission Action *Commission review and discussion*

Staff Presentation: Charles LaBoy, Deputy Director for Audit and Electronic Security

Staff Recommendation: Staff recommends approval

- a. [Staff Memo](#)
- b. [KHA Letter](#)
- c. [Kansas Bred Registry Income and Cash Flow](#)

3. Boot Hill Casino and Resort Internal Control Amendments & Related Financial Information
Commission Action: Discussion, consideration and possible action
Staff Presentation: Charles LaBoy, Deputy Director for Audit and Electronic Security
Staff Recommendation: Staff recommendations listed
 - a. [Amended Staff Memo](#)
4. KRGC Compliance Audit of Anthony Downs for 2009
Commission Action: Discussion, consideration and possible action
Staff Presentation: Charles LaBoy, Deputy Director for Audit and Electronic Security
Staff Recommendation: No recommendation
 - a. [Staff Memo](#)
 - b. [Anthony Audit Response](#)
5. Annual audited financial statements of Wichita Greyhound Charities, Inc. for the year ended December 31, 2009
Commission Action: Discussion, consideration and possible action
Staff Presentation: David Schultz, KRGC Chief Audit Officer
Staff Recommendation: Staff recommends approval
 - a. [Staff Memo](#)
 - b. [Wichita Greyhound Charities 2009 Audited Financial Statement](#)
 - c. [Wichita Greyhound Charities 2009 Required Communication Letter](#)
6. Annual audited consolidated financial statements of Wichita Greyhound Park, Inc. and subsidiary for the year ended December 31, 2009
Commission Action: Discussion, consideration and possible action
Staff Presentation: David Schultz, KRGC Chief Audit Officer
Staff Recommendation: Staff recommends approval
 - a. [Staff Memo](#)
 - b. [Wichita Greyhound Park 2009 Audited Financial Statement](#)
 - c. [Wichita Greyhound Park 2009 Required Communication Letter](#)
7. Extension request on the annual audited financial statements of The Racing Association of Kansas East for the year ended December 31, 2009.
Commission Action: Discussion, consideration and possible action
Staff Presentation: Charles LaBoy, Deputy Director for Audit and Electronic Security
Staff Recommendation: No recommendation
 - a. [Staff Memo](#)
 - b. [2009 Audit Extension Request](#)
8. Extension request on the annual audited financial statements of Kansas Racing, LLC for the year ended December 31, 2009
Commission Action: Discussion, consideration and possible action
Staff Presentation: Charles LaBoy, Deputy Director for Audit and Electronic Security
Staff Recommendation: No recommendation
 - a. [Staff Memo](#)

b. [2009 Audit Extension Request](#)

9. Presentation of Annual Report for the year 2009

Commission Action: *Discussion, consideration and possible action*

Staff Presentation: Stephen Martino, Executive Director

Staff Recommendation: Staff Recommends approval

a. [Staff Memo](#)

b. [2009 Annual Report](#)

H. PUBLIC COMMENTS

I. STAFF REPORTS

1. Executive Director
2. Director of Communications/Responsible Gambling
3. Deputy Director of Administration
 - a. [Commission Calendar](#)

J. EXECUTIVE SESSIONS

1. Attorney-client communication
2. Background reports

K. OTHER BUSINESS/FURTHER COMMISSION ACTION

1. Discussion, consideration and possible action on licenses
 - a. Level I Gaming Licenses
 - i. Fleming, Larry
 - ii. Gardiner, Robert
 - b. Level II Gaming Licenses
 - i. Bennett, Kimberly M.
 - ii. Brock, Kendra
 - iii. Cardenas, Jesus
 - iv. Dome, Toni L.
 - v. Eichman, Kevin D.
 - vi. Kerns, Scott W.
 - vii. Lang, Jaime D.
 - viii. Medina, Arianne E.
 - ix. Myers, Susan K.
 - x. O'Brien, Erin
 - xi. Paul, Michelet
 - xii. Roberts, Dawn R.
 - xiii. Roberts, Tyler J.
 - xiv. Sauer, Allen D.

- xv. Smith, Marilyn A.
- xvi. Tapia, Juan M.
- xvii. Weber, Garrett D.
- c. Level III Gaming Licenses
 - i. Bustillos, Kristal R.
 - ii. Conde, Stephanie
 - iii. Garcia, Diaz C.
 - iv. Klassen, Elizabeth
 - v. Law (Molinar), Jennie D.
 - vi. Ochoa, Thalia J.

L. ADJOURNMENT

KANSAS RACING AND GAMING COMMISSION

MINUTES – MARCH 12, 2010

CALL TO ORDER:
(A.)

Chair Sader called the March 12, 2010, meeting to order at 10:04 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Sader, Falstad, and Schwan were present at the meeting. Commissioner McKechnie participated by phone. Commissioner Braun was absent. Others present included Executive Director Stephen Martino; Assistant Attorney General Patrick Martin; Deputy Director of Audit/Electronic Security Charles LaBoy; Deputy Director of Security Don Brownlee; Deputy Director of Administration Don Cawby; Director of Communications/Responsible Gaming Mike Deines; Recording Secretary Linda Pendarvis and other staff.

MOTION, APPROVE
AGENDA:
(B.)

Commissioner Falstad (Schwan) moved to approve the agenda as presented. Motion passed unanimously.

(Note: Representatives of the Hollywood Casino [F.1.b.] will speak prior to representatives of the Boot Hill Casino and Resort [F.1.a.], which represents a change in order but no change in the agenda contents.)

MOTION, APPROVE
FEBRUARY 12, 2010,
MEETING MINUTES:
(C.)

Commissioner Falstad (McKechnie) moved to approve the minutes of the February 12, 2010, commission meeting as submitted. Motion passed unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner Schwan (Falstad) moved to approve the consent agenda with updates as indicated by Mr. LaBoy to include approval of the 23 listed electronic gaming machine hardware components and electronic lottery facility games and the revocation of the two listed electronic gaming machine software components that will be replaced within 90 days:

1. Electronic Gaming Machines and Electronic Lottery Facility Games (spreadsheet of machines and games attached)

Motion passed unanimously.

KANSAS LOTTERY
COMMISSION REPORT:
(E.)

The commission heard Keith Kocher, director of gaming facilities for the Kansas Lottery, report on the current status of casinos:

- The Lottery has been working the past week with The Boot Hill Casino and Resort on getting their bar-top video poker machines in.
- The format for posting revenue for The Boot Hill Casino has changed on the Lottery's website. It is now a monthly amount with cumulative totals.
- Through the end of February 2010, Boot Hill Casino has

realized \$2.63 million in net revenues, which is exactly \$40 million per year and in line with projections.

- South Central zone: The Kansas Lottery Gaming Facility Review Board met two weeks ago to consider the amended contract for the Chisholm Creek Casino and Resort applicant. The board is awaiting information from its consultants and will be scheduling another meeting.
- Northeast zone: The Hollywood Casino and Lottery officials have met, and plans are moving forward.
- Southeast zone: One potential applicant continues to call, but it is unknown whether a proposal will be in hand by April 16. If no applications are filed, it is anticipated that an additional extension will be granted.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS:
(F.1.b.)

The commission heard a report from Jeff Boerger, president of Kansas Speedway, a partner in the Hollywood Casino at Kansas Speedway:

- Mr. Boerger introduced Carl Yaeger with the design group Berger Devine Yaeger, the lead architect on the project. Mr. Yaeger distributed a site plan and floor plan of the casino. The design team consists of Marnell Architects, Las Vegas, which will be in charge of the exterior construction; Genesis, Los Angeles, will be handling the interior architecture and design; and Berger Devine Yaeger, Overland Park, KS, is the architect of record on the project. Turner Construction will serve as the construction manager.
- Mr. Boerger also introduced Marty Naumann, V.P. of Operations at the Hollywood Casino at Kansas Speedway, and Latoria Chinn, who is in charge of compliance pertaining to minority and women owned business for the project.
- The ceremonial groundbreaking for the Hollywood Casino is planned for Friday, April 30, at 11 am. That is a race weekend at Kansas Speedway. Further information will be forthcoming.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS:
(F.1.a.)

The commission heard a report from Clark Stewart, president of Butler National Service Corp. d/b/a Boot Hill Casino and Resort:

- Boot Hill Casino and Resort is currently on target with the original planned gaming revenue.
- Fifteen video poker games are currently in the bar and have been popular with patrons. Twenty more are expected to be online within the next 30 days or so.

DISCUSSION, BOOT HILL
CASINO AND RESORT
INTERNAL CONTROL
WAIVERS/AMENDMENTS:
(G.1.)

The commission heard Mr. LaBoy present two waivers/amendments (BH60 and BH61) submitted by the Boot Hill Casino and Resort relating to its internal control plan. Staff submitted two waivers (KRG1 and KRG2) dealing with shipping notices for electronic

gaming devices and table games. The December 2009 and January 2010 financial statements were also presented. Due to the confidential nature of the information, he recommended that it be discussed in executive session.

MOTION, APPROVE
STAFF SUBMITTED
WAIVERS:
(G.1.)

Commissioner Falstad (Schwan) moved to approve waivers KRGC1 [K.A.R. 112-107-5(a)] and KRGC2 [K.A.R. 112-108-55(a)]. Motion passed unanimously.

MOTION, EXECUTIVE
SESSION:
(G.1.)

Commissioner Schwan (Falstad) moved that the commission recess into executive session for a period of 15 minutes, from 10:55 to 11:10 am, for the purpose of receiving confidential data to protect the financial affairs, security, and other trade secrets of the certified manager. Included in the executive session were the commission, Mr. Martino, Mr. Martin, Mr. LaBoy, and other KRGC staff. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 11:10 am with all members present as previously noted.

MOTION, APPROVAL OF
BOOT HILL CASINO AND
RESORT INTERNAL
CONTROL WAIVERS/
AMENDMENTS:
(G.1.)

Commissioner Falstad (Schwan) moved to approve the requests to the Boot Hill Casino internal control plan as follows:

- Approve waiver amendment application BH61
- Deny waiver amendment application BH60

Motion passed unanimously.

DISCUSSION, LOTTERY
TABLE GAME – THREE
CARD POKER:
(G.2)

The commission heard Mr. LaBoy discuss the suggested rules for Three Card Poker in accordance with K.A.R. 112-108-4(a)'s requirement that the commission approve any table game rules before their use at a lottery gaming facility. The rules are a standard set from Shuffle Master and have been formatted and approved as temporary regulations by the Kansas Lottery Commission. In addition, they have been analyzed by KRGC's independent testing laboratory.

MOTION, APPROVAL OF
LOTTERY TABLE GAME –
THREE CARD POKER:
(G.2)

Commissioner Falstad (Schwan) moved to approve the Three Card Poker rules as stated in K.A.R. 111-305. Motion passed unanimously.

DISCUSSION,
COMPLIANCE AUDIT OF
ANTHONY DOWNS FOR
2009:
(G.3.)

The commission heard David Schultz, Chief Audit Officer, discuss the Anthony Downs 2009 compliance audit conducted on January 21, 2010, and the financial report included therein. Staff does not believe requirements were met for Order No. One that states that any profits from the horse meet should be used to pay down the debt or refund entry fees on a pro rata basis. Since Anthony Downs had a profit of over \$51,000 on the horse meet, staff believes that amount is

payable to the horsemen. Staff at Anthony Downs was given a week to comment on the situation. No comment has been received to date.

MOTION, TABLE UNTIL
APRIL 9, 2010, MEETING:
(G.3.)

Commissioner Falstad (Schwan) moved to table approval of the Anthony Downs compliance audit until the April 9, 2010, meeting pending further communication with Anthony Downs. Motion passed unanimously.

PRESENTATION OF
ANNUAL REPORTS FOR
2007 AND 2008:
(G.4.)

The commission heard Mr. Martino discuss the KRGC Annual Reports for the years 2007 and 2008. It is anticipated that the 2009 Annual Report will appear on the April 9 commission agenda. Future annual reports will be posted on the KRGC website rather than distributed in paper form.

MOTION, APPROVAL OF
ANNUAL REPORTS FOR
2007 AND 2008:
(G.4.)

Commissioner Schwan (Falstad) moved to approve the 2007 and 2008 Annual Reports as submitted. Motion passed unanimously.

DISCUSSION, SEMI-
ANNUAL ACTIVITY
REPORT OF BINGO
OPERATIONS:
(G.5.)

The commission heard Mr. Martino present the semi-annual activity report of inspections and investigations of bingo operations submitted by the director of Alcoholic Beverage Control, for the last six months of calendar year 2009. The commission expressed dissatisfaction with the substance of the report and questioned whether it is necessary that the report come before the commission. The executive director will express to the Department of Revenue that the commission desires to either be released from the obligation to receive the report or to receive a report with more substantive information than it customarily contains.

MOTION,
ACKNOWLEDGE RECEIPT
OF SEMI-ANNUAL
ACTIVITY REPORT OF
BINGO OPERATIONS:
(G.5.)

Commissioner Schwan (Falstad) moved to acknowledge receipt of the semi-annual activity report of bingo operations. Motion passed unanimously.

DISCUSSION, TRAVEL TO
NORTH AMERICAN
GAMING REGULATORS
ASSOCIATION
CONFERENCE:
(G.6.)

The commission heard Mr. Martino discuss travel to the North American Gaming Regulators Association Conference. This year's NAGRA meeting is in Vancouver, Canada. Mr. Martin and Mr. Brownlee have expressed a willingness to attend on behalf of KRGC. Commission approval is required for any travel outside the United States.

MOTION, APPROVAL OF
TRAVEL TO NORTH
AMERICAN GAMING
REGULATORS
ASSOCIATION
CONFERENCE:
(G.6.)

Commissioner Falstad (Braun) moved to approve the request for Mr. Martin and Mr. Brownlee to attend the NAGRA conference in Vancouver, Canada. Motion passed unanimously.

CALL FOR PUBLIC
COMMENTS:
(H.)

Chair Sader called for public comments. There were none.

STAFF REPORT,
MARTINO:
(I.1.)

The commission heard a staff report from Mr. Martino:

- The Kansas Lottery Gaming Facility Review Board met by phone on March 3 to consider the amended Chisholm Creek Casino and Resort contract in Sumner county. The review board has requested some consultant work and are likely to meet in person in early April to consider the amended contract.
- The budget process is substantively finished for this year. Both the House and the Senate adopted the governor's recommendation on the KRGC budget.
- Staff next week will attend the GLI Regulators Roundtable.

STAFF REPORT, DEINES:
(I.2.)

The commission heard a staff report from Mr. Deines:

- On March 10, the Kansas Responsible Gambling Alliance held a press conference to unveil new resources for problem gamblers in the State of Kansas – a new website and a public service announcement that will be airing on radio and television stations across the state. All of the air time has been donated by the stations, and the Association of Gaming Equipment Manufacturers donated \$10,000 to pay for the production costs.
- Five individuals have now registered for the voluntary exclusion program.
- During the month of February 2010, the Problem Gambling Helpline received 29 appropriate calls. Most people who utilize the number have received information about it at the casino.
- During February 2010, the website *ksgamblinghelp.com* received 261 visitors, 219 of which were unique visitors. Since the press conference on March 10, traffic on the site has tripled.

STAFF REPORT, CAWBY:
(I.3.)

The commission heard a staff report from Mr. Cawby:

- All upcoming commission dates through the end of the calendar year are on the calendar.

MOTION, EXECUTIVE
SESSION:
(J.1.)

Commissioner Schwan (Falstad) moved that the commission take a 5-minute break followed by an executive session for 30 minutes from noon until 12:30 pm for the purpose of attorney-client communication. Those included in the executive session were the commission, Mr. Martino, Mr. Martin, and Mr. LaBoy. No action is to be taken in executive session, and the subjects discussed are to be

limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

McKECHNIE EXITS
TELECONFERENCE

Commissioner McKechnie exited the teleconference at 11:55 am.

RECONVENE:

The commission meeting reconvened at 12:30 pm with all members present as previously noted.

MOTION, EXECUTIVE
SESSION:
(J.2.)

Commissioner Falstad (Schwan) moved that the commission adjourn into executive session for 45 minutes, from 12:35 until 1:20 pm, for the purpose of discussing 33 confidential background investigations performed by KRGK agents on various applicants. Those included in the executive session were the commission, Mr. Martino, Mr. Martin, Mr. Brownlee, and security staff. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:22 pm with all members present as previously noted.

MOTION, EXTEND
EXECUTIVE SESSION:
(J.2.)

Commissioner Schwan (Falstad) moved to extend the previous executive session until 1:30 pm. Those included in the executive session were the commission, Mr. Martino, Mr. Martin, Mr. Brownlee, and security staff. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:30 pm with all members present as previously noted.

MOTION, APPROVE
LICENSES:
(K.2.)

Commissioner Schwan (Falstad) moved to approve the following licenses:

- a. Level II Gaming Licenses
 - i. Deborah Behee
 - ii. Essie Cheatham
 - iii. James Donato

- iv. Guadalupe Galindo
- v. Craig Gates
- vi. Dung Lai
- vii. Sterling McPhaul
- viii. Kelcie Miller
- ix. Jeffrey Myers
- x. Gregory Nicholson
- xi. Brandon Olive
- xii. Christina Richardson
- xiii. Gina Richardson
- xiv. Jean Scali
- xv. Melissa Schulte
- xvi. Eric Randle
- xvii. Jean Saint Louis
- xviii. Bonnie Simmons
- xix. Julie Southard
- xx. Jennifer Tindall
- xxi. Samantha Torrez
- b. Level III Gaming Licenses
 - i. Brittainy Kaiser
 - ii. Shakari Pendleton
 - iii. Jacquelyn Soltero
 - iv. Craig Stewart
 - v. Guadalupe Zuniga

Motion passed unanimously.

MOTION, DENY
LICENSES:
(J.2.)

Commissioner Falstad (Schwan) moved to deny the following licenses:

- a. Level II Gaming Licenses
 - i. Brandy Clinton
 - ii. Brenda Davis
 - iii. Arturo Espinoza
 - iv. David Ferrante
 - v. Gilbert Ponce
 - vi. Scott Smith
- b. Level III Gaming License
 - i. Claudia Castelli

Motion passed unanimously.

ADJOURN: Commissioner Schwan (Falstad) moved to adjourn at 1:35 pm.
Motion passed unanimously.

SUBMITTED BY:

William Falstad
Secretary

APPROVED BY:

Carol H. Sader
Chair

DRAFT

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **Approval of Electronic Gaming Machines and Electronic Lottery Facility Games**

PRESENTER: Charles LaBoy, Deputy Director for Audit and Electronic Security

ISSUE SUMMARY: Listed in the consent agenda are 45 electronic gaming machine hardware components and electronic Lottery facility games that have been tested by Gaming Laboratories International and determined to be in accordance with our technical specifications as outlined in K.A.R. 112-110-1 (a). K.S.A. 74-8750 requires KRGC approval of all electronic gaming machines and lottery facility games.

Also included are 7 electronic gaming machine software components that staff is recommending revocation. These items have not been installed on any electronic gaming devices in our jurisdiction and therefore do not require a replacement deadline.

COMMISSION ACTION REQUIRED/REQUESTED: Commission review, discussion and approval.

STAFF RECOMMENDATIONS: Staff recommends approval of the 45 listed electronic gaming machine hardware components and electronic Lottery facility games and revocation of the 7 listed electronic gaming machine software components.

Approved Software

3.31.2010

| Manufacturer | File Number | ID Number | Version | Game Name |
|----------------|------------------|------------------------|-------------------|--|
| SHUFFLE MASTER | PA-73-SHU-02-02 | HARDWARE | DECKMATE SHUFFLER | DECK MATE |
| SHUFFLE MASTER | PA-73-SHU-02-02 | HARDWARE | DECKMATE SHUFFLER | BLACKJACK |
| SHUFFLE MASTER | MO-122-SHU-07-01 | DECK MATE | V1.11 | SOFTWARE DECK MATE |
| WMS | MO-73-WMS-10-09 | SSSG-000-1650 | 1650/H13.12 | OPERATING SYSTEM |
| WESTERN MONEY | MO-72-WEM-10-01 | FLS-US20-371012 | 371012 | N/A |
| IGT | MO-22-IGT-10-41 | M6048F 2.15 198 2.03 | 2.15/2.03 | N/A |
| ARISTOCRAT | PA-22-ARI-08-03 | MACHINE | N/A | N/A |
| ARISTOCRAT | MO-22-ARI-08-160 | HARDWARE | P/N 07-41439 | N/A |
| ARISTOCRAT | PA-22-ARI-08-03 | HARDWARE | P/N 01-70046 | N/A |
| ARISTOCRAT | PA-22-ARI-08-03 | HARDWARE | P/N 07-41490 | N/A |
| ARISTOCRAT | PA-22-ARI-08-03 | HARDWARE | P/N 07-10262 | N/A |
| ARISTOCRAT | PA-22-ARI-08-03 | HARDWARE | P/N 07-41438 | N/A |
| ARISTOCRAT | PA-22-ARI-08-03 | HARDWARE | P/N 07-10269 | N/A |
| ARISTOCRAT | MO-22-ARI-09-05 | 1.00-60421 | RFX GEN7 | 5 KOI |
| ARISTOCRAT | MO-22-ARI-09-11 | 1.00-60445 | RFX GEN7 | 5 DRAGONS DYNASTY |
| ARISTOCRAT | MO-22-ARI-09-55 | HARDWARE | 01-70049 | N/A |
| ARISTOCRAT | MO-22-ARI-09-55 | HARDWARE | 07-41466 | N/A |
| ARISTOCRAT | MO-22-ARI-09-59 | HARDWARE | 04-15086 A | N/A |
| ARISTOCRAT | MO-22-ARI-09-72 | HARDWARE | 579849 | N/A |
| ARISTOCRAT | MO-73-ARI-09-28 | 1.01-60601 | RFX GEN7 | Skin Deep Cherries |
| ARISTOCRAT | MO-22-ARI-09-76 | 1.02-60388 | RFX GEN7 | Big Ride |
| ARISTOCRAT | MO-73-ARI-09-44 | 1.02-60375 | GEN7 | Jungle Joe Searching High and Low Beat the Bandits |
| ARISTOCRAT | MO-73-ARI-09-53 | 1.00-60602 | RFX GEN7 | Same Way Sevens |
| ARISTOCRAT | MO-73-ARI-09-58 | 1.02-60600 | RFX GEN7 | Hillbillions |
| ARISTOCRAT | MO-73-ARI-09-68 | 1.00-60603 | RFX GEN7 | Pow-tastic Sevens |
| ARISTOCRAT | MO-22-ARI-09-94 | 1.01-60700 | GEN7 | Fortune Princess Beat the Bandits |
| ARISTOCRAT | MO-73-ARI-09-83 | 1.00-60677 | GEN7 | King Cobra |
| ARISTOCRAT | MO-22-ARI-10-03 | Linux Operating System | 3.03.0 | N/A |
| ARISTOCRAT | MO-22-ARI-10-06 | SET CHIP | 7.00.22 | N/A |
| ARISTOCRAT | MO-22-ARI-10-11 | 2.57.0-1.56.0 | GEN7 | N/A |
| ARISTOCRAT | MO-73-ARI-10-12 | 1.00-60605 | RFX GEN7 | Oaks Day Kentucky Derby |
| ARISTOCRAT | MO-73-ARI-10-13 | 1.00-60606 | RFX GEN7 | Run for the Roses Kentucky Derby |
| ARISTOCRAT | MO-73-ARI-10-14 | HARDWARE | 593058 | Kentucky Derby |
| ARISTOCRAT | MO-73-ARI-10-14 | HARDWARE | 590180 | Kentucky Derby |
| ARISTOCRAT | MO-22-ARI-10-12 | Firmware | VF1.1.0a | N/A |
| ARISTOCRAT | MO-22-ARI-10-12 | Operation System | VOS5.12600.0-1 | N/A |

| | | | | |
|--------------------|------------------|-------------------|-------------|---------------|
| ARISTOCRAT | MO-22-ARI-10-12 | Graphic Sequence | VGS1.1.0b | N/A |
| ARISTOCRAT | MO-22-ARI-10-12 | Vertex | 1.1.0.3 | N/A |
| WMS | MO-73-WMS-10-10 | DB09-000-1000 | 1000/H13-10 | Tiger's Realm |
| WESTERN MONEY | Y-166-WEM-10-01 | PXC.exe | 4.0.11.0 | N/A |
| WESTERN MONEY | SY-166-WEM-10-01 | CXC.exe | 12.0.12.0 | N/A |
| IGT | MO-22-IGT-10-44 | DIAGNOSTIC-014-04 | 57509390 | AVP |
| KONAMI GAMING INC. | MO-22-KON-09-18 | HARDWARE | 995106 | N/A |
| KONAMI GAMING INC. | MO-22-KON-09-18 | HARDWARE | 995107 | N/A |
| KONAMI GAMING INC. | MO-22-KON-10-01 | HARDWARE | K-0424(A) | N/A |

| Revoked Software | | | | |
|-------------------------|-----------------|-----------------|----------------|---------------|
| KONAMI GAMING INC. | MO-07-KON-08-75 | PROV101G12 | GAME PROGRAM | PIRATE ROSE |
| KONAMI GAMING INC. | MO-07-KON-08-75 | PROV101G12 | GAME PROGRAM | PIRATE ROSE |
| KONAMI GAMING INC. | MO-07-KON-08-75 | PROV101G12-CF | SOUND/GRAPHICS | PIRATE ROSE |
| KONAMI GAMING INC. | MO-07-KON-09-74 | PROV102G12 | GAME PROGRAM | Pirate's Rose |
| KONAMI GAMING INC. | MO-07-KON-09-74 | PROV102G12 | GAME PROGRAM | Pirate's Rose |
| KONAMI GAMING INC. | MO-07-KON-09-74 | PROV102G12-CF | SOUND/GRAPHICS | Pirate's Rose |
| WMS | MO-22-WMS-09-62 | SB09-000-1020C2 | 1020/H9.22 | Tiger's Realm |

Lottery Gaming Facility Revenue*
Boot Hill Casino and Resort

| | March 2010 | YTD 2010 | Fiscal YTD 2010 |
|--|----------------------------|----------------------------|-----------------------------|
| Electronic gaming machines | 2,727,479.24 | 8,124,864.25 | 9,830,960.51 |
| Table games | <u>523,045.00</u> | <u>1,371,882.00</u> | <u>1,655,778.50</u> |
| Total Lottery Gaming Facility Revenue | <u><u>3,250,524.24</u></u> | <u><u>9,496,746.25</u></u> | <u><u>11,486,739.01</u></u> |
| State Share 22% | 715,115.33 | 2,089,284.18 | 2,527,082.58 |
| Local Share 3% | 97,515.73 | 284,902.39 | 344,602.17 |
| Problem Gambling Share 2% | 65,010.48 | 189,934.93 | 229,734.78 |
| Casino Share 73% | 2,372,882.70 | 6,932,624.76 | 8,385,319.48 |

*as reported by the Kansas Lottery's central computer system

REPORT TO RACING AND GAMING COMMISSION
07/01/09 to 12/31/09
Charitable Gaming

K.S.A. 79-4715 – reports to racing and gaming commission. The director of alcoholic beverage control of the department of revenue shall submit to the Kansas racing and gaming commission semiannual activity reports concerning inspections and investigations of bingo operations in this state.

Inspections;

There were 71 inspections by compliance agents during this time period.

| | |
|-------------|----|
| Educational | 7 |
| Routine | 52 |
| Follow-up | 1 |
| Complaints | 3 |
| Other | 8 |

The inspections resulted in 2 warnings and 12 fines.

There were five educational workshops conducted throughout the state.

Investigations:

K.S.A. 79-4706 (b). Be member or the spouse of a member of the licensed organization conducting the bingo game or be a member or spouse of a parent or auxiliary unit or society of the licensed organization.

Received complaint bingo workers were not members of the organizations they were serving.

K.S.A. 79-4706 (e). Be a volunteer and not be paid or compensated in any way for their participation in conducting the bingo games.

Received compliant bingo workers were recruited by the parlor and compensated.

No violations were found.

K.S.A. 79-4712a. No person or entity shall sell or distribute any bingo faces, bingo cards or instant bingo tickets to any licensee unless such entity has been issued a distributor certificate by the administrator.

Distributor was selling to an organization that did not have current bingo license.

K.S.A. 79-4703 (f) Each registration certificate, or renewal thereof, issued under the provisions of subsection (e) shall expire at midnight on June 30 following its date of issuance.

Organization was playing without a current bingo license.

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **KHA Reimbursement from Kansas Bred Program**

PRESENTER: Charles LaBoy, Deputy Director of Audit and Electronic Security

ISSUE SUMMARY: The Kansas Horsemen's Association (KHA) is requesting approval and reimbursement of expenses incurred for the operation of the Kansas Bred Program for April 2009 totaling \$2,230.71 and May 2009 totaling \$2,205.06. The expenses presented for reimbursement are consistent with expenses incurred by the KHA in the past.

The Commission is authorized by K.S.A. 74-8830 to "contract with and designate an official registering agency to implement the registration of horses." Funds shall be withdrawn from the Kansas Bred Program account only for maintaining and administering the program and only with the prior approval of the Commission or the Commission's executive director.

COMMISSION ACTION REQUIRED/REQUESTED: Commission discussion, consideration and possible action on the request for reimbursement.

STAFF RECOMMENDATIONS: Staff recommends reimbursement of the April 2009 and May 2009 expenses subject to availability of funds.

MARCH 1, 2010

NEYSA THOMAS
KANSAS RACING COMMISSION
700 SW HARRISON
TOPEKA, KANSAS 66603

DEAR MS. THOMAS.

THE KANSAS HORSEMEN'S ASSOCIATION WOULD LIKE TO REQUEST THAT THE EXPENSES FOR THE MONTH OF APRIL AND MAY BE PUT BEFORE THE COMMISSION FOR APPROVAL OF REIMBURSEMENT. THE APRIL 2009 EXPENSES ARE \$2230.71 AND MAY 2009 EXPENSES ARE \$2205.06. THE AMOUNT REIMBURSED WILL BE SUBJECT TO THE AVAILABILITY OF FUNDS.

SINCERELY,



GARRY STWALLEY
VICE PRESIDENT

KANSAS BRED REGISTRY PROGRAM Profit & Loss by Class April 2009

| | KS BRED REGISTRY PROGRAM | | KS HORSEMEN'S ASSOCIATION | | Total unclassified | | TOTAL | |
|--|--------------------------|-----------------|---------------------------|------------------|--------------------|---------------|------------------|------------------|
| | Apr '09 | Jan - Apr '09 | Apr '09 | Jan - Apr '09 | Apr '09 | Jan - Apr '09 | Apr '09 | Jan - Apr '09 |
| Income | | | | | | | | |
| KS Domiciled Mare Regist. | 0.00 | 450.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 450.00 |
| KS Domic Mare Reg. TB | | | | | | | | |
| Total KS Domiciled Mare Regist. | 0.00 | 450.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 450.00 |
| Mare Certifications | | | | | | | | |
| Mare Certifications - QH | 0.00 | 35.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 35.00 |
| Mare Certifications - TB | 0.00 | 525.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 525.00 |
| Total Mare Certifications | 0.00 | 560.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 560.00 |
| Weaning Registrations | | | | | | | | |
| Weanling Reg. - QH | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100.00 |
| Total Weanling Registrations | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100.00 |
| Total Income | 0.00 | 1,110.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,110.00 |
| Expense | | | | | | | | |
| Service Fee | 0.00 | 0.00 | 0.00 | 13.43 | 0.00 | 0.00 | 0.00 | 13.43 |
| Telephone | 0.00 | 0.00 | 30.00 | 118.85 | 0.00 | 0.00 | 30.00 | 118.85 |
| Analysis Service Charge | 1.85 | 12.59 | 12.43 | 38.52 | 0.00 | 0.00 | 14.28 | 51.11 |
| FICA Expense/Med. Care | 0.00 | 0.00 | 28.72 | 114.88 | 0.00 | 0.00 | 28.72 | 114.88 |
| FICA Expense/SS | 0.00 | 0.00 | 122.80 | 491.20 | 0.00 | 0.00 | 122.80 | 491.20 |
| FUTA Tax Expense | 0.00 | 0.00 | 56.00 | 56.00 | 0.00 | 0.00 | 56.00 | 56.00 |
| Office Supplies | 0.00 | 0.00 | 0.00 | 18.15 | 0.00 | 0.00 | 0.00 | 18.15 |
| Salary Expense | 0.00 | 0.00 | 1,980.76 | 7,923.04 | 0.00 | 0.00 | 1,980.76 | 7,923.04 |
| Uncategorized Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Expense | 1.85 | 12.59 | 2,230.71 | 8,774.07 | 0.00 | 0.00 | 2,232.56 | 8,786.66 |
| Net Income | -1.85 | 1,097.41 | -2,230.71 | -8,774.07 | 0.00 | 0.00 | -2,232.56 | -7,676.66 |

KANSAS BRED REGISTRY PROGRAM Profit & Loss by Class May 2009

| | KS BRED REGISTRY PROGRAM | | KS HORSEMEN'S ASSOCIATION | | TOTAL | |
|---------------------------------------|--------------------------|---------------|---------------------------|---------------|----------|---------------|
| | May '09 | Jan - May '09 | May '09 | Jan - May '09 | May '09 | Jan - May '09 |
| Income | | | | | | |
| KS Domiciled Mare Regist. | | | | | | |
| KS Domic Mare Reg. TB | 250.00 | 700.00 | 0.00 | 0.00 | 250.00 | 700.00 |
| Total KS Domiciled Mare Regist. | 250.00 | 700.00 | 0.00 | 0.00 | 250.00 | 700.00 |
| Mare Certifications | | | | | | |
| Mare Certifications - QH | 0.00 | 35.00 | 0.00 | 0.00 | 0.00 | 35.00 |
| Mare Certifications - TB | 245.00 | 770.00 | 0.00 | 0.00 | 245.00 | 770.00 |
| Total Mare Certifications | 245.00 | 805.00 | 0.00 | 0.00 | 245.00 | 805.00 |
| Two Yr Old and Up Registrations | | | | | | |
| Two Yr Old & Up Reg - QH | 500.00 | 500.00 | 0.00 | 0.00 | 500.00 | 500.00 |
| Two Yr Old & Up Reg. - TB | 1,000.00 | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 1,000.00 |
| Total Two Yr Old and Up Registrations | 1,500.00 | 1,500.00 | 0.00 | 0.00 | 1,500.00 | 1,500.00 |
| Weanling Registrations | | | | | | |
| Weanling Reg. - QH | 50.00 | 150.00 | 0.00 | 0.00 | 50.00 | 150.00 |
| Total Weanling Registrations | 50.00 | 150.00 | 0.00 | 0.00 | 50.00 | 150.00 |
| Total Income | 2,045.00 | 3,155.00 | 0.00 | 0.00 | 2,045.00 | 3,155.00 |
| Expense | | | | | | |
| Service Fee | 0.00 | 0.00 | 0.00 | 13.43 | 0.00 | 13.43 |
| Telephone | 0.00 | 0.00 | 60.00 | 178.85 | 0.00 | 178.85 |
| Analysis Service Charge | 0.00 | 12.59 | 12.78 | 51.30 | 0.00 | 63.89 |
| FICA Expense/Med. Care | 0.00 | 0.00 | 28.72 | 143.60 | 0.00 | 143.60 |
| FICA Expense/SS | 0.00 | 0.00 | 122.80 | 514.00 | 0.00 | 614.00 |
| FUTA Tax Expense | 0.00 | 0.00 | 0.00 | 56.00 | 0.00 | 56.00 |
| Office Supplies | 0.00 | 0.00 | 1,980.76 | 18.15 | 0.00 | 18.15 |
| Salary Expense | 0.00 | 0.00 | 0.00 | 9,903.80 | 1,980.76 | 9,903.80 |
| Uncategorized Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Expense | 0.00 | 12.59 | 2,205.06 | 10,979.13 | 2,205.06 | 10,991.72 |
| Net Income | 2,045.00 | 3,142.41 | -2,205.06 | -10,979.13 | -160.06 | -7,836.72 |

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **Boot Hill Casino and Resort Internal Control Amendments and Related Financial Information.**

PRESENTER: Charles LaBoy, Deputy Director for Audit and Electronic Security

ISSUE SUMMARY: Boot Hill Casino and Resort has submitted their February 2010 Financial Statements and the following amendments to their internal control plan. Due to the confidential nature of this information staff will discuss these items during the executive session.

| Waiver/Amendment # | Regulation/IC Reference | Staff Recommendation |
|---------------------------|--------------------------------|-----------------------------|
| BH60 | 200.070.03 | Approval |
| BH62 | 700.070 | Approval |
| BH63 | 700.070 | Approval |
| BH64 | 140.070 & 160.060 | Approval |

COMMISSION ACTION REQUIRED/REQUESTED: Commission review, discussion and action.

STAFF RECOMMENDATIONS: Staff recommendations listed above.

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: KRGC Compliance Audit of Anthony Downs for 2009

PRESENTER: Charles LaBoy, Director of Audit and Electronic Security

ISSUE SUMMARY: At the March 12, 2010 Commission meeting the Anthony Downs 2009 compliance audit was presented by staff for approval. The results of the audit noted there was \$51,061 of profit that staff believed should be reclassified as a liability per the 2009 Commission order granting the parimutuel license to the Anthony Fair Association. The Commission requested feedback from the licensee on this matter as there were no representatives from the licensee in attendance at the meeting. As of the filing of the current agenda packet a written response has not been submitted but staff has discussed this issue with representatives of the Anthony Fair Association who have indicated they are working on a response.

COMMISSION ACTION REQUIRED/REQUESTED: Commission discussion, consideration and possible action on Anthony Down's 2009 financial report.

STAFF RECOMMENDATIONS: No recommendation.

ALBRIGHT & GAFFNEY, CHARTERED
A Legal Services Professional Corporation

JOHN M. GAFFNEY

April 1, 2010

123 N. Bluff-P.O. Box 334
ANTHONY, KANSAS 67003
Telephone 620/842-5357
Fax 620/842-3792

RONALD D. ALBRIGHT
(1921 - 2005)

via telefacsimile 785.296.0900

Mr. Stephen L. Martino, Executive Director
Kansas Racing and Gaming Commission
Dwight D. Eisenhower State Office Building
700 SW Harrison, Suite 420
Topeka, Kansas 66603

Re: The Anthony Fair Association
2010 Parimutuel Application

Dear Mr. Martino:

Following this cover letter is a copy of Synda Kitts' analysis of the spreadsheet faxed to Dan Bird by Dave Schultz on March 2, 2010. Note that Ms. Kitts' analysis identifies an additional \$48,462.00 in expenses, which should be allowed.

Also following this cover letter is the 2010 Parimutuel Application of The Anthony Fair Association.

Due to funding issues, the Association was uncertain about what application procedure or procedures the Association should follow in submitting its 2010 application. On March 19, 2010, the Association asked you for guidance, as to how it should proceed with preparing and submitting the Association's 2010 racing application

On March 24, 2010, Patrick Martin called me and told me to have the Association submit a 2010 racing application, even though it would be out-of-time, and to request that the Commission allow the filing pursuant to the discretion it has under K.A.R. 112-17-1(d), which states as follows:

"Unless otherwise directed by the commission, applications shall be filed with the commission not later

than 120 calendar days prior to the first performance of the race meeting the Association proposes to conduct."

As Mr. Martin suggested, I am hereby requesting that the Commission allow the Association's application to be filed out-of-time, pursuant to the discretion it has under the first phrase of K.A.R. 112-17-1(d).

The original application and ten conformed copies will follow by mail, together with the check for the \$50 application fee.

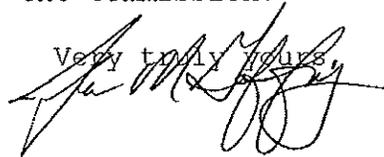
The Association is seeking approval of the following 2010 race dates: July 9, 10, 11, 16, 17 and 18.

This request is based on the Association being able to obtain funding to hold its regular six-day racemeet.

The Association is requesting approval of all of the regulation exceptions approved in prior years.

Finally, Dan Bird asked me to advise you that he has a prior commitment for April 9, 2010, and to ask if he can appear before the Commission at the May 14, 2010 meeting.

Let me know if you have any questions or need any further information. Also, let me know when you want representatives from the Association to appear before the Commission.

Very truly yours,


John M. Gaffney

JMG:mk

pc: Dan Bird, Association President

Anthony Downs
2009 Expense Analysis
(Synda Kitts)

| <u>Expense Categories</u> | <u>Expenses Allowable Under Grant Per KRGC</u> | <u>Expenses Allowable as Proposed</u> | <u>Difference</u> | <u>Analysis</u> |
|----------------------------|--|---------------------------------------|-------------------|--|
| Advertising and Promotions | 0 | 2,690 | 2,690 | Provides information for the wagering public to support the race meet. Does not include annual meeting notice. |
| Contract labor | 60,565 | 72,920 | 12,355 | All contract labor provides services directly related to the race meet. |
| Legal and Accounting | 0 | 5,180 | 5,180 | Legal fees invoice received after income tax returns & financial statements were completed - \$5,047. Accounting fees incurred for preparation of 1099s which were completed late January and billed in February - \$133. |
| Race purses | 590,145 | 612,382 | 22,237 | Total horse purses paid were \$625,650. Commissions added from the handle were \$13,268. Purses paid from grant and starting fees were \$612,382. |
| State fees - KRGC | 0 | 6,000 | 6,000 | Daily fees paid 7/19/09 as assessed. This was for state officials & vets wages & expenses that might not be covered due to State budget shortfalls. |
| | 650,710 | 699,172 | 48,462 | |

Insurance allocation could not be determined. All insurance is attributable and required to run a successful meet each year.

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **Annual Audited Financial Statements of Wichita Greyhound Charities, Inc. for the year ended December 31, 2009.**

PRESENTER: David Schultz, KRGC Chief Audit Officer

ISSUE SUMMARY: Wichita Greyhound Charities has submitted copies of their 2009 audited financial statements to the Commission for our review.

COMMISSION ACTION REQUIRED/REQUESTED: Commission review and approval of the audited financial statements as submitted.

STAFF RECOMMENDATIONS: Staff recommends approval.

WICHITA GREYHOUND CHARITIES, INC.

FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2009
AND 2008**

WICHITA GREYHOUND CHARITIES, INC.
DECEMBER 31, 2009 AND 2008

CONTENTS

| | Page |
|--------------------------------------|-------------|
| Independent auditors' report | 1 |
| Financial statements | |
| Balance sheets | 2 |
| Statements of operations and deficit | 3 |
| Statements of cash flows | 4 |
| Notes to financial statements | 5 - 6 |

P B T K

**PIERCY BOWLER
TAYLOR & KERN**

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT

Board of Directors
Wichita Greyhound Charities, Inc.
Wichita, Kansas

We have audited the accompanying balance sheets of Wichita Greyhound Charities, Inc. (Charities) as of December 31, 2009 and 2008, and the related statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of Charities' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charities as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming Charities will continue as a going concern. As discussed in Note 5b, Wichita Greyhound Park, Inc. which managed and operated the facility from which Charities has historically derived all of its revenues, has suspended operations indefinitely effective October 6, 2007. In addition, Charities has a working capital deficiency of approximately \$14,000 and an operating deficit of approximately \$14,000. These matters and current economic conditions and related uncertainties also discussed in Note 5b raise substantial doubt as to Charities ability to continue as a going concern. Management's plans regarding these matters are also discussed in Note 5b. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Despite the foregoing, we have neither determined nor opined as to whether Charities is solvent or insolvent for bankruptcy or other purposes since such would be a legal determination that may be made only by a court.



March 26, 2010

20th
ANNIVERSARY
2010

WICHITA GREYHOUND CHARITIES, INC.
BALANCE SHEETS
DECEMBER 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 32,296 | \$ 33,585 |
| Due from Wichita Greyhound Park, Inc. | <u>21,678</u> | <u> </u> |
| | 53,974 | 33,585 |
| Property and equipment, net of accumulated depreciation and amortization | <u> </u> | <u>161</u> |
| | <u>\$ 53,974</u> | <u>\$ 33,746</u> |
| LIABILITIES AND DEFICIT | | |
| Current liabilities | | |
| Due to Wichita Greyhound Park, Inc. | | \$ 50,932 |
| Customer deposits | \$ <u>68,061</u> | <u>68,061</u> |
| | 68,061 | 118,993 |
| Deficit | <u>(14,087)</u> | <u>(85,247)</u> |
| | <u>\$ 53,974</u> | <u>\$ 33,746</u> |

**WICHITA GREYHOUND CHARITIES, INC.
 STATEMENTS OF OPERATIONS AND DEFICIT
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|---------------------------|---------------------------|
| Reimbursed costs and expenses | \$ 71,360 | |
| General and administrative expenses | <u>(200)</u> | \$ <u>(175)</u> |
| Net income (loss) | <u>\$ 71,160</u> | <u>\$ (175)</u> |
| | | |
| Deficit, beginning of year | \$ (85,247) | \$ (85,072) |
| Net income (loss) | <u>71,160</u> | <u>(175)</u> |
| Deficit, end of year | <u>\$ (14,087)</u> | <u>\$ (85,247)</u> |

WICHITA GREYHOUND CHARITIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|------------------|
| Operating activities | | |
| Net cash used in operating activities and net decrease in cash | \$ (1,289) | \$ (251) |
| Cash, beginning of year | <u>33,585</u> | <u>33,836</u> |
| Cash, end of year | <u>\$ 32,296</u> | <u>\$ 33,585</u> |
| Reconciliation of net loss to net cash used in operating activities | | |
| Net income (loss) | \$ 71,160 | \$ (175) |
| Depreciation | 161 | 185 |
| Increase in operating (assets) liabilities | | |
| Accounts receivable | | 24,996 |
| Accounts payable and accrued expenses | | (54,673) |
| Due (from) to Wichita Greyhound Park, Inc. | <u>(72,610)</u> | <u>29,416</u> |
| Net cash used in operating activities | <u>\$ (1,289)</u> | <u>\$ (251)</u> |

**WICHITA GREYHOUND CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

1. Nature of operations and background information:

Business activities. Wichita Greyhound Charities, Inc. (Charities), is licensed by the State of Kansas Racing and Gaming Commission (KRG) to conduct greyhound races, on which parimutuel wagering is permitted, including the operation and conduct of simulcast racing. However, Wichita Greyhound Park, Inc. (WGP), which managed and operated the facility from which Charities has historically derived all of its revenues, has suspended operations indefinitely on October 6, 2007 (Note 5b).

Management agreement. Charities operated under a management agreement with WGP, a KRG licensed facility and manager, to maintain, improve, repair, manage, and operate Wichita Greyhound Park (the Facility), in which WGP holds long-term leasehold rights as a greyhound race track, including simulcast racing. Charities retained 1% of the daily wagers ("handle") on live races and up to 7% on simulcast races and pays the balance as winning parimutuel tickets, purses, taxes, breakage, and a fee to WGP. The fees to WGP are, therefore, in substance, a combination of both management fees and contingent rent for use of the facility, but they cannot practicably be separated. By virtue of the management agreement, WGP is a related party. However, WGP, which managed and operated the Facility from which Charities has historically derived all of its revenues, suspended operations indefinitely on October 6, 2007. At this time, there are no plans to resume the racing operations without legislative and voter approval of re-opening the Facility with the addition of gaming devices.

Under the terms of its management agreement, Charities was reimbursed by Park for salaries and related expenses of the race and parimutuel operations, plus \$100,000 per year (pro rated for periods of operation) for administrative expenses and wages to employ an executive director and staff, and up to a maximum of \$10,000 annually for the cost of any annual audit. Park also provides accounting services for Charities at no charge.

The management agreement continues concurrently with the terms of the respective licenses granted by KRG to Charities and WGP, and both have agreed to seek renewals of their respective licenses. However, under certain circumstances, the management agreement may be terminated by either party with a 30- or 45-day notice depending on the circumstance.

Economic conditions and related risks and uncertainties and concentrations. The United States is experiencing a widespread and severe recession accompanied by, among other things, highly curtailed consumer spending for casino gaming and other recreational activity and, among other effects, instability in the commercial and investment banking systems resulting in reduced credit availability, and is engaged in war, all of which are likely to have far reaching effects on economic activity in the country for an indeterminate period. Because Charities is currently licensed to operate exclusively in the Wichita, Kansas area, its future operations, if any, could be affected by adverse economic conditions in the area and nationwide in areas where the inbound simulcast tracks are located (Note 5b). The continuing effects and probable duration of these conditions and related uncertainties on Charities' future operations, if any, cannot be predicted at this time but may be substantial.

2. Summary of significant accounting policies:

Basis of accounting and presentation. Charities has not elected to adopt the option available under Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 825, "Financial Instruments," to measure any of its eligible financial instruments or other items. Accordingly, Charities continues to measure all of its assets and liabilities on the historical cost basis of accounting.

Although organized under state law as a nonprofit corporation, for financial reporting purposes, Charities does not qualify as a not-for-profit organization as defined by the FASB and, therefore, presents its financial statements in a format appropriate for a business enterprise.

Subsequent events. Management of Charities has evaluated subsequent events for possible accounting recognition or disclosure through March 26, 2010, which is the date the financial statements were available to be issued.

Use of estimates. Timely preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect reported amounts, which estimates may require revision in future periods.

Property and equipment. Property and equipment (Note 4) is stated at cost. Depreciation is computed using the straight-line and declining balance methods over the estimated useful lives of the assets.

WICHITA GREYHOUND CHARITIES, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
YEARS ENDED DECEMBER 31, 2009 AND 2008

Revenues, costs and expenses. All costs and expenses reimbursed by Park are shown gross pursuant to FASB's ASC Topic 605, "Revenue Recognition."

Legal defense costs. Charities does not accrue for estimated future legal and related defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather records such as period costs when the related services are rendered.

Income taxes. Although organized as a nonprofit corporation under state law, with no invested capital, Charities was denied exemption from federal income tax by the Internal Revenue Service (IRS). Accordingly, it is technically subject to both federal and state income taxes. Although it has accumulated net operating loss carryforwards of approximately \$8,000 that expire through 2024, as a result of the state law requiring distributions to qualified charitable organizations (Note 5a), it is unlikely that Charities will ever have taxable income in material amounts. Accordingly, a 100% allowance has effectively been provided for the unrealized tax benefit of the accumulated net operating losses.

Provisions of FASB ASC Topic 740, "Income Taxes," that relate to uncertain tax positions taken in previously filed federal income tax returns that remain subject to examination by the Internal Revenue Service (presently consisting of those for tax years 2006, 2007 and 2008) became applicable to Charities, effective January 1, 2009. However, since there are no uncertain tax provisions that might affect Charities' financial statements, these provisions have no effect on Charities' financial statements.

3. Due (to) from Wichita Greyhound Park, Inc.:

Amounts due (to) from WGP and its wholly-owned subsidiary, as of the balance sheet dates presented, are summarized as follows:

| | <u>2009</u> | <u>2008</u> |
|--------------------------------|------------------|--------------------|
| Balance, beginning of year | \$ (50,932) | \$ (21,516) |
| Reimbursed costs and expenses* | 71,360 | |
| Cash receipts | | (29,416) |
| Cash payments | <u>1,250</u> | |
| | <u>\$ 21,678</u> | <u>\$ (50,932)</u> |

*2009 reimbursement of prior years' unallocated bank fees based on 2009 decision of the respective management of Charities and WGP.

4. Property and equipment, less accumulated depreciation:

As of the balance sheet dates presented, property and equipment consists of the following:

| | <u>2009</u> | <u>2008</u> |
|--|----------------|----------------|
| Equipment, furniture, and fixtures | \$ 8,930 | \$ 8,930 |
| Less accumulated depreciation and amortization | <u>(8,930)</u> | <u>(8,769)</u> |
| | <u>\$</u> | <u>\$ 161</u> |

5. Commitments and contingencies:

a. Licensing conditions. Charities is required under state statute and the terms of its KRGC license to distribute all of its net earnings, as defined, if any, to qualified organizations domiciled in Kansas that use the money for charitable purposes within the state. In addition, no more than 25% of the annual amounts distributed in any year may be distributed to any one such organization.

Charities is also required to remit unpaid winnings for the year to KRGC within 61 days of the earlier of year end or suspension of operations.

b. Going concern uncertainty and managements' plans. The accompanying financial statements contemplate continuation of Charities as a going concern. However, on October 6, 2007, WGP which managed and operated the facility from which Charities has historically derived all of its revenues, suspended operations indefinitely. At this time there are no plans to resume racing operations at the facility without legislative and voter approval of re-opening the facility with the addition of gaming devices.

The continued management and operation of the facility by WGP and of Charities, as going concerns will be dependent upon the outcome of the foregoing uncertainties, the continuing financial support of WGP's sole stockholder, and the success of management's plans as described below. Management of both Charities and WGP plan, for the foreseeable future, to continue to support legislative and voter approval to operate gaming devices at the Facility, which has proven to generate additional revenues at similar facilities in locations that allow gaming devices. Unless expanded gaming is approved by the Kansas legislature and requisite others, the sole stockholder of WGP will likely discontinue financial support, and its management will likely discontinue operations permanently.

WICHITA GREYHOUND CHARITIES, INC.

**REQUIRED
COMMUNICATIONS
LETTER**

**TO THE
BOARD OF DIRECTORS**

DECEMBER 31, 2009

WICHITA GREYHOUND CHARITIES, INC.
REQUIRED COMMUNICATIONS LETTER

CONTENTS

| | PAGE |
|--|-------------|
| Transmittal letter | 1 |
| Significant audit adjustments | 2 |
| Difficulties encountered in performing the audit | 2 |
| Matters involving internal controls | 2 |
| Other governance matters | 3 |

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

Board of Directors
Wichita Greyhound Charities, Inc.
P.O. Box 17087
Wichita, Kansas 67217

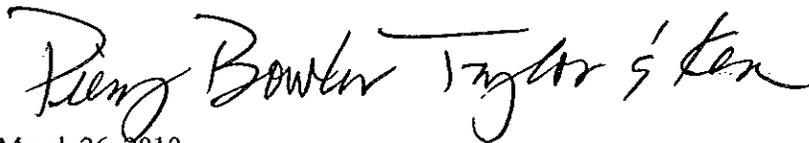
RE: Required Communications

Ladies and gentlemen:

As part of our engagement to audit the financial statements of Wichita Greyhound Charities, Inc. (the Company) as of December 31, 2009 and for the year then ended, we are required under applicable auditing standards to communicate certain matters to those charged with governance responsibilities for the Company for the purpose of assisting them in meeting their responsibilities with regard to the financial reporting process. This report contains those required communications.

The matters reported herein were considered in forming our opinion on the Company's financial statements contained in our report dated March 26, 2010, and these matters do not change that report.

This communication is intended solely for the confidential information and use of those charged with governance and management responsibilities for the Company and others identified below, either receiving a copy or being approved to receive a copy from management. It is not intended to be and should not be used by anyone other than these specified parties.



March 26, 2010

Copies provided to:
Michelle Beneke, Controller
Phillip Ruffin Jr., Director of Operations

20th
ANNIVERSARY
2010

SIGNIFICANT AUDIT ADJUSTMENTS

Our audit resulted in no significant adjustments to the financial statements.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

Management cooperated fully, and no significant difficulties were encountered in completing the December 31, 2009, audit.

MATTERS INVOLVING INTERNAL CONTROL

We planned and performed our audit of the financial statements of the Company as of December 31, 2009 and for the year then ended, in accordance with auditing standards generally accepted in the United States.

Accordingly, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements.

Such procedures were not performed for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

The principal objectives of effective internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that all transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States. The concept of reasonable assurance requires that management, in fulfilling its responsibility, make estimates and judgments to assess the expected benefit and related costs of control procedures. Because of inherent limitations in any internal control, errors or fraudulent acts, particularly when involving forgery and collusion, may occur and not be detected. In addition, there is a risk that procedures may become inadequate in future periods because of changes in conditions and the degree of compliance with the procedures may deteriorate.

Definitions

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

Findings

Our procedures did not identify any internal control deficiencies that we consider to be a material weakness.

OTHER GOVERNANCE MATTERS

Auditors' responsibility under auditing standards generally accepted in the United States. As stated in the first paragraph of our report on the Company's financial statements, our responsibility as independent auditors, under auditing standards generally accepted in the United States, is to express an opinion, based on our audit, on the financial statements, which are the responsibility of the Company's management. Our responsibilities, as contrasted with management's, are spelled out more fully in our letter of engagement.

Despite any limited assistance we may have provided to management in its preparation, our responsibility for information accompanying the financial statements is limited to (1) reading such information to ascertain that it is materially consistent with information presented in the Company's audited financial statements (2) considering whether any statements contained therein may appear to be materially misstated, and (3) assuring the satisfactory resolution of our concerns, if any. In this instance, we performed the required procedures, and any changes requested by us in this process were satisfactorily made and all questions satisfactorily resolved.

In considering the matters reported herein, you should be cognizant of your responsibility for oversight of the financial reporting process and management's responsibilities for establishing and maintaining an effective internal control subject to regulatory and ownership approval, and for the financial statements.

Significant accounting policies. The significant accounting policies employed by the Company are disclosed in the notes to the financial statements and are essentially as prescribed, recommended or permitted under applicable authoritative literature for, or commonly used by, other entities in your industry. The accounting policies have been consistently applied and are not controversial

Significant estimates. The financial statements do not contain any significant management estimates.

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **Annual Audited Consolidated Financial Statements of Wichita Greyhound Park, Inc. and Subsidiary for the year ended December 31, 2009.**

PRESENTER: David Schultz, KRGC Chief Audit Officer

ISSUE SUMMARY: Wichita Greyhound Park, Inc. has submitted copies of their 2009 audited consolidated financial statements to the Commission for our review.

COMMISSION ACTION REQUIRED/REQUESTED: Commission review and approval of the audited financial statements as submitted.

STAFF RECOMMENDATIONS: Staff recommends approval.

P B T K

**PIERCY BOWLER
TAYLOR & KERN**

Certified Public Accountants
Business Advisors

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2009
AND 2008**

20th
ANNIVERSARY
2010

**WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
DECEMBER 31, 2009 AND 2008**

CONTENTS

| | Page |
|--|-------------|
| Independent auditors' report | 1 |
| Consolidated financial statements | |
| Balance sheets | 2 |
| Statements of operations and deficit | 3 |
| Statements of cash flows | 4 |
| Notes to consolidated financial statements | 5 - 7 |
| | |
| Supplemental consolidating schedules: | |
| Balance sheets | 8 - 9 |
| Statements of operations and retained earnings (deficit) | 10 - 11 |

P B T K

**PIERCY BOWLER
TAYLOR & KERN**

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT

Board of Directors
Wichita Greyhound Park, Inc.
Wichita, Kansas

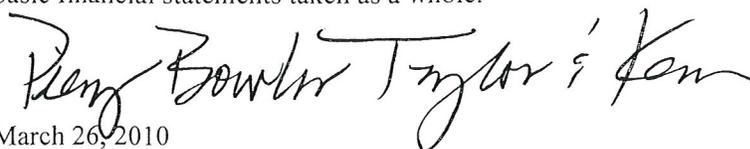
We have audited the accompanying consolidated balance sheets of Wichita Greyhound Park, Inc. and Subsidiary (the Company) as of December 31, 2009 and 2008, and the related statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2009 and 2008, and the consolidated results of its activities and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. However, the Company has been highly dependent upon financial support from its sole stockholder; it has a working capital deficiency of approximately \$590,000, a history of substantial losses resulting in an operating deficit of approximately \$19.4 million, and as discussed in Note 7c, has suspended operations indefinitely effective October 6, 2007. These matters and current economic conditions and related uncertainties also discussed in Note 7c raise substantial doubt as to the Company's ability to continue as a going concern. Management's plans regarding these matters are also discussed in Note 7c. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Despite the foregoing, we have neither determined nor opined as to whether the Company is solvent or insolvent for bankruptcy or other purposes since such would be a legal determination that may be made only by a court.

Our audits were conducted for the purpose of forming an opinion of the basic 2009 and 2008 financial statements taken as a whole. The accompanying supplemental consolidating schedules are presented for the purposes of additional analysis, are not a required part of the basic financial statements and, in our opinion, are fairly stated in all material respects to the basic financial statements taken as a whole.



March 26, 2010

20th
ANNIVERSARY
2010

**WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2009 AND 2008**

| | <u>2009</u> | <u>2008</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 11,218 | \$ 67,442 |
| Due from Wichita Greyhound Charities, Inc. | | 50,932 |
| Prepaid expenses | <u>2,585</u> | <u>3,353</u> |
| | 13,803 | 121,727 |
| Property and equipment, net of accumulated depreciation and amortization | <u>14,854,042</u> | <u>14,839,790</u> |
| | <u>\$ 14,867,845</u> | <u>\$ 14,961,517</u> |
| LIABILITIES AND STOCKHOLDER'S EQUITY DEFICIENCY | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 425,004 | \$ 6,410,397 |
| Accounts payable | 5,932 | 18,977 |
| Accrued expenses | 148,598 | 153,649 |
| Due to Wichita Greyhound Charities, Inc. | <u>21,678</u> | <u> </u> |
| | 601,212 | 6,583,023 |
| Long-term debt, net of current portion | <u>33,691,148</u> | <u>26,855,303</u> |
| | <u>34,292,360</u> | <u>33,438,326</u> |
| Stockholder's equity deficiency | | |
| Common stock, \$1 par, 500,000 shares authorized, 250,000 shares issued and outstanding | 250,000 | 250,000 |
| Deficit | <u>(19,674,515)</u> | <u>(18,726,809)</u> |
| | <u>(19,424,515)</u> | <u>(18,476,809)</u> |
| | <u>\$ 14,867,845</u> | <u>\$ 14,961,517</u> |

See notes to consolidated financial statements.

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEARS ENDED DECEMBER 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|--|------------------------|------------------------|
| Operating costs and expenses | | |
| Cost and expense reimbursements | \$ 71,360 | |
| Land lease | 81,667 | \$ 80,500 |
| Other selling, general, and administrative | 494,520 | 763,354 |
| Depreciation and amortization | <u>214,454</u> | <u>221,656</u> |
| | <u>862,001</u> | <u>1,065,510</u> |
| Loss from operations | (862,001) | (1,065,510) |
| Other income (expense) | | |
| Interest expense | (85,726) | (255,263) |
| Other, net | <u>21</u> | <u>(76)</u> |
| Net loss | \$ <u>(947,706)</u> | \$ <u>(1,320,849)</u> |
| | | |
| Deficit, beginning of year | \$ (18,726,809) | \$ (17,405,960) |
| Net loss | <u>(947,706)</u> | <u>(1,320,849)</u> |
| Deficit, end of year | \$ <u>(19,674,515)</u> | \$ <u>(18,726,809)</u> |

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|--|-----------------------------|-------------------------|
| Operating activities | | |
| Net cash used in operating activities | \$ <u>(677,970)</u> | \$ <u>(3,577,390)</u> |
| Investing activities | | |
| Purchase of property and equipment | (228,706) | (3,371,522) |
| Proceeds from sale of property and equipment | <u> </u> | <u>240,174</u> |
| Net cash used in investing activities | <u>(228,706)</u> | <u>(3,131,348)</u> |
| Financing activities | | |
| Proceeds from borrowings | 1,310,873 | 7,042,761 |
| Repayment of borrowings | <u>(460,421)</u> | <u>(389,587)</u> |
| Net cash provided by financing activities | <u>850,452</u> | <u>6,653,174</u> |
| Net decrease in cash | (56,224) | (55,564) |
| Cash, beginning of year | <u>67,442</u> | <u>123,006</u> |
| Cash, end of year | <u>\$ <u>11,218</u></u> | <u>\$ <u>67,442</u></u> |

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

1. Nature of operations and background information:

Business activities. Wichita Greyhound Park, Inc. (WGP), a wholly-owned subsidiary of Ruffin Holdings, Inc. (RHI), and its wholly-owned subsidiary, WGP Concessions, Inc. (collectively, the Company), are licensed by the State of Kansas Racing and Gaming Commission (KRGC) to operate racetrack facilities with parimutuel wagering. However, the only two racetrack facilities of the Company in the State of Kansas are Wichita Greyhound Park (Park), which suspended operations indefinitely on October 6, 2007 (Note 7d), and Camptown Greyhound Park (Camptown), which is currently idle and has been for several years. The Company is also licensed by KRGC to operate food and beverage activities at Park.

WGP management agreements. WGP has a management agreement with Wichita Greyhound Charities, Inc., a Kansas not-for-profit corporation (Charities). By virtue of the management agreement, Charities is a related party. It is also licensed by the KRGC to conduct greyhound races at Park, on which parimutuel wagering is permitted, including the operation and conduct of simulcast racing. The fees from Charities are, in substance, a combination of both management fees and contingent rent for use of the facility, but they cannot be separated.

Under terms of the management agreement, WGP reimbursed Charities for salaries and related expenses of the race and mutuel operations plus \$100,000 per year (pro rated for periods of operation) for administrative expenses and wages to employ an executive director and staff, and up to a maximum of \$10,000 annually for the cost of any annual audit. WGP also provides accounting services for Charities at no charge.

The management agreement continues concurrently with the terms of the respective licenses granted by the KRGC to WGP and Charities, both have agreed to seek renewals of their respective licenses. However, under certain circumstances, the management agreement may be terminated by either party with a 30- or 45- day notice depending on the circumstance.

WGP has a management agreement with The Racing Association of Kansas Southeast, a Kansas not-for-profit corporation (TSE), an organization licensee formerly licensed by the State of Kansas to conduct greyhound races at Camptown, on which parimutuel wagering is permitted, including the operation and conduct and of simulcast racing. The terms of the agreement are similar to the Charities agreement described above, but will not be effective until the Company and TSE are fully licensed and begin operations at the renovated Camptown facility.

Economic conditions and related risks and uncertainties and concentrations. The United States is experiencing a widespread and severe recession accompanied by, among other things, highly curtailed consumer spending for casino gaming and other recreational activity and, among other effects, instability in the commercial and investment banking systems resulting in reduced credit availability, and is engaged in war, all of which are likely to have far reaching effects on economic activity in the country for an indeterminate period. Because the Company is currently licensed to operate exclusively in Kansas, its future operations, if any, could be affected by adverse economic conditions in the area and nationwide in areas where the inbound simulcast tracks are located (Note 7c). The continuing effects and probable duration of these conditions and related uncertainties on Charities' future operations and the Company's sole stockholder's continuing financial support (Note 7c), if any, cannot be predicted at this time but may be substantial.

2. Summary of significant accounting policies:

Basis of accounting and presentation. The Company has not elected to adopt the option available under Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 825, "Financial Instruments," to measure any of its eligible financial instruments or other items. Accordingly, the Company continues to measure all of its assets and liabilities on the historical cost basis of accounting.

The consolidated financial statements include the accounts of WGP and its subsidiary. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Subsequent events. Management of the Company has evaluated subsequent events for possible accounting recognition or disclosure through March 26, 2010, which is the date the financial statements were available to be issued.

Use of estimates. Timely preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts, which estimates may require revision in future periods.

Property and equipment. Property and equipment (Note 3) is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which for leasehold improvements is limited to the term of the lease, including renewal option periods so long as management intends to exercise them.

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEARS ENDED DECEMBER 31, 2009 AND 2008

In accordance with FASB ASC Topic 360, "Property, Plant, and Equipment," depreciation at the currently idle facilities continues even though operations have ceased, at least temporarily. The Company performs a review of long-lived assets annually or whenever there might be in impairment "triggering" event. No impairments of property and equipment were identified as a result of these impairment reviews.

Legal defense costs. The Company does not accrue for estimated future legal and related defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather records such as period costs when the related services are rendered.

Income taxes. WGP and its subsidiary, with the consent of RHI, have elected under the Internal Revenue Code to be taxed as qualified "S Corporation" subsidiaries of RHI. Accordingly, no provision or liability for federal income tax or benefit has been included in the accompanying financial statements.

Provisions of FASB ASC Topic 740, "Income Taxes," that relate to uncertain tax positions taken in previously filed federal income tax returns that remain subject to examination by the Internal Revenue Service (presently consisting of those for tax years 2006, 2007 and 2008) became applicable to the Company, effective January 1, 2009. However, since there are no conditions or uncertainties that would present any risk of retroactive loss of its pass-through status, these provisions have had no material effect on the Company's financial statements.

3. Property and equipment, less accumulated depreciation and amortization:

As of the balance sheet dates presented, property and equipment consists of the following:

| | <u>2009</u> | <u>2008</u> |
|--|----------------------|----------------------|
| Construction in progress | \$ 452,750 | \$ 452,750 |
| Land | 2,148,338 | 2,148,338 |
| Land improvements | 2,949,415 | 2,721,267 |
| Building and building improvements | 2,189,305 | 2,189,365 |
| Leasehold improvements | 161,149 | 161,149 |
| Personal property under capital leases | <u>10,592,301</u> | <u>10,592,301</u> |
| | 18,493,258 | 18,265,170 |
| Less accumulated depreciation and amortization | <u>(3,639,216)</u> | <u>(3,425,380)</u> |
| | <u>\$ 14,854,042</u> | <u>\$ 14,839,790</u> |

4. Due (to) from Wichita Greyhound Charities, Inc.:

Amounts due (to) from Charities, as of the balance sheet dates presented, are summarized as follows:

| | <u>2009</u> | <u>2008</u> |
|-------------------------------|--------------------|------------------|
| Balance, beginning of year | \$ 50,932 | \$ 21,516 |
| Reimbursed costs and expenses | (71,360) | |
| Cash payments | | 29,416 |
| Cash receipts | <u>(1,250)</u> | |
| Balance, end of year | <u>\$ (21,678)</u> | <u>\$ 50,932</u> |

5. Long-term debt:

Long-term debt consists of the following:

| | <u>2009</u> | <u>2008</u> |
|---|----------------------|----------------------|
| Bank note payable at LIBOR (0.231% at December 31, 2009) plus 1% collateralized by Park property and equipment, historically payable in monthly principal installments aggregating to \$425,004 annually, plus interest, with the remaining balance due in total on November 29, 2011 | \$ 5,949,976 | \$ 6,410,397 |
| Due to stockholder (Note 6) | <u>28,166,176</u> | <u>26,855,303</u> |
| | 34,116,152 | 33,265,700 |
| Less current portion | <u>(425,004)</u> | <u>(6,410,397)</u> |
| | <u>\$ 33,691,148</u> | <u>\$ 26,855,303</u> |

The bank note payable is associated with a credit agreement entered into between the bank and the sole stockholder of RHI, under which the Company's sole stockholder and two commonly-owned affiliates not included in these financial statements have borrowings outstanding, all of which are guaranteed by each other. As a result, as of December 31, 2009, the Company is contingently liable as guarantor for the obligations of others approximating \$8.5 million.

As of the latest balance sheet date presented, maturities of long-term debt are as follows:

| | |
|------|----------------------|
| 2010 | \$ 425,004 |
| 2011 | <u>33,691,148</u> |
| | <u>\$ 34,116,152</u> |

6. Due to stockholder:

Due to stockholder consists of the balance of non-interest bearing amounts advanced to the Company without collateral and without definite due date. The stockholder has agreed, however, not to demand repayment during the

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEARS ENDED DECEMBER 31, 2009 AND 2008

next year (Note 7c). Changes in this obligation for the periods presented are as follows:

| | <u>2009</u> | <u>2008</u> |
|----------------------------|----------------------|----------------------|
| Balance, beginning of year | \$ 26,855,303 | \$ 19,812,542 |
| Proceeds from new advances | <u>1,310,873</u> | <u>7,042,761</u> |
| | <u>\$ 28,166,176</u> | <u>\$ 26,855,303</u> |

7. Commitments and contingencies:

a. Lease commitments. The Company has an operating lease commitment with Sedgwick County, Kansas, for the land on which the Park racing facility is situated. The land lease contains several automatic renewal options of five years each and is presently in the first of which, ending September 2014. Future minimum lease payments for operating leases with remaining noncancellable terms in excess of one year is as follows:

| | |
|------|-----------|
| 2010 | \$ 84,000 |
| 2011 | 84,000 |
| 2012 | 84,000 |
| 2013 | 84,000 |
| 2014 | 85,167 |

Rent expense for all operating leases was approximately \$81,667 and \$80,500 during the periods presented.

b. Profit-sharing plan. The Company participates in a defined contribution plan qualified under IRS regulations sponsored by an affiliated company owned by its stockholder. Participation in the plan is available to all eligible Company employees. Contributions to the plan are made annually at the discretion of management but were suspended on April 1, 2009. For the operating periods presented, contributions were not material.

c. Going concern uncertainty and management's plans. The accompanying financial statements contemplate continuation of the Company as a going concern. However, in 2007, subsequent to approval by the Kansas legislature and requisite others, the Company began renovations at its Camptown facility to re-open the idle racetrack facility with gaming devices, but the respective regulatory bodies have been unable to reach a mutually satisfactory agreement for the operation of gaming devices. Accordingly, the Company suspended renovations indefinitely in January 2008, pending a mutually satisfactory agreement for the operation of gaming devices. In addition, on October 6, 2007, the Company suspended its Park operations indefinitely. At this time there are no plans to resume Park racing operations without legislative

and voter approval of re-opening the facility with the addition of gaming devices. The continued management and operation of the Company as a going concern will be dependent upon the outcome of the foregoing uncertainties and the success of management's plans as described below.

Management plans, for the foreseeable future, to continue to fully support efforts to obtain legislative approval to operate gaming devices at Park and to reach a mutually satisfactory agreement for the operations of gaming devices at Camptown, which activity has proven at similar facilities in locations to be capable of generating substantial additional revenues. If expanded gaming activity is not approved by the Kansas legislature and requisite others, and if a mutually satisfactory agreement for the operation of gaming devices is not reached, the Company's sole stockholder will likely discontinue financial support, and management will likely discontinue operations at Park and/or Camptown permanently.

8. Supplemental cash flow information:

| | <u>2009</u> | <u>2008</u> |
|---|---------------------|-----------------------|
| Reconciliation of net loss to net cash used in operating activities: | | |
| Net loss | \$ (947,706) | \$ (1,320,849) |
| Depreciation and amortization | 214,454 | 221,384 |
| Increase in operating assets (liabilities) | | |
| Accounts receivable | | 4,746 |
| Due from Wichita Greyhound Charities, Inc. | 50,932 | (29,416) |
| Prepaid expenses | 768 | 102,786 |
| Deposits | | 2,000 |
| Accounts payable | (13,045) | (2,422,974) |
| Accrued expenses | (5,051) | (135,067) |
| Due to Wichita Greyhound Charities, Inc. | <u>21,678</u> | <u> </u> |
| Net cash used in operating activities | <u>\$ (677,970)</u> | <u>\$ (3,577,390)</u> |
| Supplemental cash flow information: | | |
| Cash paid for interest | <u>\$ 88,665</u> | <u>\$ 272,564</u> |

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2009

| | Wichita Greyhound Park, Inc. | | | | | | |
|--|--|---|-----------------------------|--------------|------------------------|----|---------------|
| | Wichita Greyhound Park Division | Camptown Greyhound Park Division | WGP Concessions, Inc. | Eliminations | Consolidated Totals | | |
| ASSETS | | | | | | | |
| Current assets | | | | | | | |
| Cash | \$ 8,271 | \$ 2,947 | \$ 487,659 | \$ (487,659) | \$ | \$ | 11,218 |
| Due from affiliates | | | 2,501 | | | | 2,585 |
| Prepaid expenses | 84 | | | | | | |
| | 8,355 | 2,947 | 490,160 | (487,659) | | | 13,803 |
| Property and equipment, net of accumulated depreciation and amortization | 2,139,979 | 12,714,063 | | | | | 14,854,042 |
| Deposits | 10,325 | | | (10,325) | | | |
| | \$ 2,158,659 | \$ 12,717,010 | \$ 490,160 | \$ (497,984) | \$ | | \$ 14,867,845 |
| LIABILITIES AND OWNERS' EQUITY DEFICIENCY | | | | | | | |
| Current liabilities | | | | | | | |
| Current portion of long-term debt | \$ 425,004 | | | | \$ | \$ | 425,004 |
| Accounts payable | 5,507 | 425 | | | | | 5,932 |
| Accrued expenses | 97,927 | 50,671 | | | | | 148,598 |
| Due to Wichita Greyhound Charities, Inc. | 21,678 | | | | | | 21,678 |
| Due to affiliates | 464,589 | 23,070 | | (487,659) | | | |
| | 1,014,705 | 74,166 | | (487,659) | | | 601,212 |
| Long-term debt, net of current portion | 17,376,901 | 16,314,247 | | | | | 33,691,148 |
| | 18,391,606 | 16,388,413 | | (487,659) | | | 34,292,360 |
| Stockholder's equity (deficiency) | | | | | | | |
| Common stock | 250,000 | | \$ 1,000 | (1,000) | | | 250,000 |
| Additional paid-in capital | | | 9,325 | (9,325) | | | |
| Deficit | (16,482,947) | (3,671,403) | 479,835 | | | | (19,674,515) |
| | (16,232,947) | (3,671,403) | 490,160 | (10,325) | | | (19,424,515) |
| | \$ 2,158,659 | \$ 12,717,010 | \$ 490,160 | \$ (497,984) | \$ | | \$ 14,867,845 |

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2008

| | Wichita Greyhound Park, Inc. | | | Eliminations | Consolidated Totals |
|--|---------------------------------|----------------------------------|-----------------------|--------------|---------------------|
| | Wichita Greyhound Park Division | Camptown Greyhound Park Division | WGP Concessions, Inc. | | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | \$ 46,024 | \$ 21,413 | | | \$ 67,442 |
| Due from Wichita Greyhound Charities, Inc. | 50,932 | | | | 50,932 |
| Due from affiliates | | \$ 487,659 | | \$ (487,659) | |
| Prepaid expenses | 84 | 768 | 2,501 | | 3,353 |
| | 97,040 | 22,186 | 490,160 | (487,659) | 121,727 |
| Property and equipment, net of accumulated depreciation and amortization | 2,050,315 | 12,789,475 | | | 14,839,790 |
| Deposits | 10,325 | | | (10,325) | |
| | \$ 2,157,680 | \$ 12,811,661 | \$ 490,160 | \$ (497,984) | \$ 14,961,517 |
| LIABILITIES AND OWNERS' EQUITY DEFICIENCY | | | | | |
| Current liabilities | | | | | |
| Current portion of long-term debt | \$ 6,410,397 | | | | \$ 6,410,397 |
| Accounts payable | 18,731 | 246 | | | 18,977 |
| Accrued expenses | 93,152 | 60,497 | | | 153,649 |
| Due to affiliates | 462,589 | 25,070 | | \$ (487,659) | |
| | 6,984,869 | 85,813 | | (487,659) | 6,583,023 |
| Long-term debt, net of current portion | 10,633,194 | 16,222,109 | | | 26,855,303 |
| | 17,618,063 | 16,307,922 | | (487,659) | 33,438,326 |
| Stockholder's equity (deficiency) | | | | | |
| Common stock | 250,000 | | \$ 1,000 | (1,000) | 250,000 |
| Additional paid-in capital | | | 9,325 | (9,325) | |
| Retained deficit | (15,710,383) | (3,496,261) | 479,835 | | (18,726,809) |
| | (15,460,383) | (3,496,261) | 490,160 | (10,325) | (18,476,809) |
| | \$ 2,157,680 | \$ 12,811,661 | \$ 490,160 | \$ (497,984) | \$ 14,961,517 |

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (DEFICIT)
YEAR ENDED DECEMBER 31, 2009

| | Wichita Greyhound Park, Inc. | | | WGP Concessions, Inc. | Consolidated Totals |
|---|--|---|-----------|-----------------------------|------------------------|
| | Wichita Greyhound Park Division | Camptown Greyhound Park Division | | | |
| Other operating costs and expenses | | | | | |
| Cost and expense reimbursements | \$ 71,360 | | | \$ | 71,360 |
| Land lease cost | 81,667 | | | | 81,667 |
| Other selling, general and administrative | 394,790 | \$ 99,730 | | | 494,520 |
| Depreciation and amortization | 139,042 | 75,412 | | | 214,454 |
| | <u>686,859</u> | <u>175,142</u> | | | <u>862,001</u> |
| Income (loss) from operations | (686,859) | (175,142) | | | (862,001) |
| Other income (expense) | | | | | |
| Interest expense | (85,726) | | | | (85,726) |
| Other, net | 21 | | | | 21 |
| Net income (loss) | (772,564) | (175,142) | | | (947,706) |
| Retained earnings (deficit), beginning of year | (15,710,383) | (3,496,261) | \$ | 479,835 | (18,726,809) |
| Retained earnings (deficit), end of year | <u>\$ (16,482,947)</u> | <u>\$ (3,671,403)</u> | <u>\$</u> | <u>\$ 479,835</u> | <u>\$ (19,674,515)</u> |

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (DEFICIT)
YEAR ENDED DECEMBER 31, 2008

| | Wichita Greyhound Park, Inc. | | | | Consolidated Totals |
|---|--|---|-----------------------------|-----------------------------|------------------------|
| | Wichita Greyhound Park Division | Camptown Greyhound Park Division | WGP Concessions, Inc. | WGP Concessions, Inc. | |
| Other operating costs and expenses | | | | | |
| Land lease cost | \$ 80,500 | | | | \$ 80,500 |
| Other selling, general and administrative | 342,985 | \$ 420,006 | \$ 363 | | 763,354 |
| Depreciation and amortization | 147,168 | 74,488 | | | 221,656 |
| | <u>570,653</u> | <u>494,494</u> | <u>363</u> | | <u>1,065,510</u> |
| Income (loss) from operations | (570,653) | (494,494) | (363) | | (1,065,510) |
| Other income (expense) | | | | | |
| Interest expense | (255,158) | (96) | (9) | | (255,263) |
| Other, net | (76) | | | | (76) |
| Net income (loss) | (825,887) | (494,590) | (372) | | (1,320,849) |
| Retained earnings (deficit), beginning of year | (14,884,496) | (3,001,671) | 480,207 | | (17,405,960) |
| Retained earnings (deficit), end of year | <u>\$ (15,710,383)</u> | <u>\$ (3,496,261)</u> | <u>\$ 479,835</u> | | <u>\$ (18,726,809)</u> |

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY

**REQUIRED
COMMUNICATIONS
LETTER**

**TO THE
BOARD OF DIRECTORS**

DECEMBER 31, 2009

WICHITA GREYHOUND PARK, INC. AND SUBSIDIARY
REQUIRED COMMUNICATIONS LETTER

CONTENTS

| | PAGE |
|--|-------------|
| Transmittal letter | 1 |
| Significant audit adjustments | 2 |
| Difficulties encountered in performing the audit | 2 |
| Matters involving internal controls | 2 |
| Other governance matters | 3 |

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

Board of Directors
Wichita Greyhound Park, Inc. and Subsidiary
P.O. Box 17087
Wichita, Kansas 67217

RE: Required Communications

Ladies and gentlemen:

As part of our engagement to audit the consolidated financial statements of Wichita Greyhound Park, Inc. and Subsidiary (the Company) as of December 31, 2009 and for the year then ended, we are required under applicable auditing standards to communicate certain matters to those charged with governance responsibilities for the Company for the purpose of assisting them in meeting their responsibilities with regard to the financial reporting process. This report contains those required communications.

The matters reported herein were considered in forming our opinion on the Company's consolidated financial statements contained in our report dated March 26, 2010, and these matters do not change that report.

This communication is intended solely for the confidential information and use of those charged with governance and management responsibilities for the Company and others identified below, either receiving a copy or being approved to receive a copy from management. It is not intended to be and should not be used by anyone other than these specified parties.



March 26, 2010

Copies provided to:
Michelle Beneke, Controller
Phillip Ruffin Jr., Director of Operations

20th
ANNIVERSARY
2010

SIGNIFICANT AUDIT ADJUSTMENTS

Our audit resulted in no significant adjustments to the consolidated financial statements.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

Management cooperated fully, and no significant difficulties were encountered in completing the December 31, 2009, audit.

MATTERS INVOLVING INTERNAL CONTROL

We planned and performed our audit of the consolidated financial statements of the Company as of December 31, 2009 and for the year then ended, in accordance with auditing standards generally accepted in the United States.

Accordingly, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements.

Such procedures were not performed for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

The principal objectives of effective internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that all transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States. The concept of reasonable assurance requires that management, in fulfilling its responsibility, make estimates and judgments to assess the expected benefit and related costs of control procedures. Because of inherent limitations in any internal control, errors or fraudulent acts, particularly when involving forgery and collusion, may occur and not be detected. In addition, there is a risk that procedures may become inadequate in future periods because of changes in conditions and the degree of compliance with the procedures may deteriorate.

Definitions

A *deficiency* in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness yet important enough to merit attention by those with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's consolidated financial statements will not be prevented or detected on a timely basis. Our consideration of internal control would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

Findings

Our procedures did not identify any internal control deficiencies that we consider to be a material weakness.

OTHER GOVERNANCE MATTERS

Auditors' responsibility under auditing standards generally accepted in the United States. As stated in the first paragraph of our report on the Company's consolidated financial statements, our responsibility as independent auditors, under auditing standards generally accepted in the United States, is to express an opinion, based on our audit, on the consolidated financial statements, which are the responsibility of the Company's management. Our responsibilities, as contrasted with management's, are spelled out more fully in our letter of engagement.

Despite any limited assistance we may have provided to management in its preparation, our responsibility for information accompanying the consolidated financial statements is limited to (1) reading such information to ascertain that it is materially consistent with information presented in the Company's audited consolidated financial statements (2) considering whether any statements contained therein may appear to be materially misstated, and (3) assuring the satisfactory resolution of our concerns, if any. In this instance, we performed the required procedures, and any changes requested by us in this process were satisfactorily made and all questions satisfactorily resolved.

In considering the matters reported herein, you should be cognizant of your responsibility for oversight of the financial reporting process and management's responsibilities for establishing and maintaining an effective internal control subject to regulatory and ownership approval, and for the consolidated financial statements.

Significant accounting policies. The significant accounting policies employed by the Company are disclosed in the notes to the consolidated financial statements and are essentially as prescribed, recommended or permitted under applicable authoritative literature for, or commonly used by, other entities in your industry. The accounting policies have been consistently applied and are not controversial

Significant estimates. The consolidated financial statements do not contain any significant management estimates except with regard to depreciation or amortization, useful lives and impairment considerations relative to property and equipment.

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **Extension request on the annual audited financial statements of The Racing Association of Kansas East for the year ended December 31, 2009.**

PRESENTER: Charles LaBoy, Director of Audit and Electronic Security

ISSUE SUMMARY: Kansas Racing, LLC has requested a 60 day extension for the submission of their 2009 audited financial statements.

K.A.R. 112-3-15 states that the annual financial audit is due on or before 90 days after the license's fiscal year end.

COMMISSION ACTION REQUIRED/REQUESTED: Commission review and consideration of the extension request.

STAFF RECOMMENDATIONS: No recommendation.

Charles LaBoy

From: David Schultz
Sent: Thursday, April 01, 2010 12:41 PM
To: Charles LaBoy
Subject: FW: 2009 Audits

Here is Nancy's reply. What should we do on the extension request?

From: Nancy Wheatley [mailto:nwheatley@gracestjo.com]
Sent: Thursday, April 01, 2010 12:42 PM
To: David Schultz
Subject: RE: 2009 Audits

Dave,

I was just talking to Bruce this morning about needing to email you to request an extension of time for the audits.

We have not yet gotten the audits completed. When I was hoping we could modify the reporting requirement and was emailing you and Charles about that at the beginning of the year, I put off getting us on our regular audit schedule until I could determine exactly what we'd need to do. Unfortunately, their audit schedules filled up and I've been busy with a bunch of other things as well. Anyway, I will get with them to get the process moving ASAP and will keep you posted on progress. We'd like to request a 60-day extension of time to get everything completed and the audit reports filed. Let me know if I need to submit a formal request letter or anything.

Thanks,

Nancy E. Wheatley
Director of Finance
W.M. Grace Companies
St. Joseph, MO
Phone: 816/233-8285
Fax: 816/233-8240

From: David Schultz [mailto:David.Schultz@krgc.ks.gov]
Sent: Thursday, April 01, 2010 10:22 AM
To: Nancy Wheatley
Subject: 2009 Audits

I was wondering what is the status of the 2009 audits of TRAK E and WDS?

Please note my new e-mail address.

David J. Schultz, CPA
Chief Audit Officer
Kansas Racing and Gaming Commission
700 SW Harrison #500
Topeka, Ks 66603
Phone: 785-296-8353 Fax: 785-296-0900
E-mail: david.schultz@krgc.ks.gov

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **Extension request on the annual audited financial statements of Kansas Racing, LLC for the year ended December 31, 2009.**

PRESENTER: Charles LaBoy, Director of Audit and Electronic Security

ISSUE SUMMARY: Kansas Racing, LLC has requested a 60 day extension for the submission of their 2009 audited financial statements.

K.A.R. 112-3-15 states that the annual financial audit is due on or before 90 days after the license's fiscal year end.

COMMISSION ACTION REQUIRED/REQUESTED: Commission review and consideration of the extension request.

STAFF RECOMMENDATIONS: No recommendation.

Charles LaBoy

From: David Schultz
Sent: Thursday, April 01, 2010 12:41 PM
To: Charles LaBoy
Subject: FW: 2009 Audits

Here is Nancy's reply. What should we do on the extension request?

From: Nancy Wheatley [mailto:nwheatley@gracestjo.com]
Sent: Thursday, April 01, 2010 12:42 PM
To: David Schultz
Subject: RE: 2009 Audits

Dave,

I was just talking to Bruce this morning about needing to email you to request an extension of time for the audits.

We have not yet gotten the audits completed. When I was hoping we could modify the reporting requirement and was emailing you and Charles about that at the beginning of the year, I put off getting us on our regular audit schedule until I could determine exactly what we'd need to do. Unfortunately, their audit schedules filled up and I've been busy with a bunch of other things as well. Anyway, I will get with them to get the process moving ASAP and will keep you posted on progress. We'd like to request a 60-day extension of time to get everything completed and the audit reports filed. Let me know if I need to submit a formal request letter or anything.

Thanks,

Nancy E. Wheatley
Director of Finance
W.M. Grace Companies
St. Joseph, MO
Phone: 816/233-8285
Fax: 816/233-8240

From: David Schultz [mailto:David.Schultz@krgc.ks.gov]
Sent: Thursday, April 01, 2010 10:22 AM
To: Nancy Wheatley
Subject: 2009 Audits

I was wondering what is the status of the 2009 audits of TRAK E and WDS?

Please note my new e-mail address.

David J. Schultz, CPA
Chief Audit Officer
Kansas Racing and Gaming Commission
700 SW Harrison #500
Topeka, Ks 66603
Phone: 785-296-8353 Fax: 785-296-0900
E-mail: david.schultz@krgc.ks.gov

Kansas Racing and Gaming Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 9, 2010

AGENDA ITEM: **Presentation of Annual Report for the year 2009**

PRESENTER: Stephen Martino, Executive Director

ISSUE SUMMARY: Commission staff has developed the Annual Report for the calendar year 2009.

COMMISSION ACTION REQUIRED/REQUESTED: Commission review and approval.

STAFF RECOMMENDATIONS: Staff recommends approval.

Kansas Racing and Gaming Commission



2009 Annual Report



Stephen Martino
Executive Director

The Kansas Racing and Gaming Commission



Carol Sader (Chair) of Prairie Village moved to Kansas in 1976. She was raised in Brooklyn, New York, graduated from Barnard College, Columbia University in 1957 with a major in Government. She taught elementary school and later went on to attend law school in Chicago and Cincinnati where she became a legal editor. In 1981, she became actively involved in public service when she was elected to the Board of Trustees of Johnson County Community College and served as Chair from 1984-1986. In 1986, she was elected to the Kansas Legislature as the State Representative for the 22nd Legislative District and served for eight years in the Kansas House. In 1994, she unsuccessfully ran for Lt. Governor of Kansas. Since 1995, she has continued her public service with appointments to the Kansas Commission on Judicial Qualifications and the Kansas State Board of Healing Arts. Ms. Sader was appointed to the Kansas Racing and Gaming Commission in 2003 and has been serving as Chair of the Commission since 2005.



Glenn Braun (Vice-Chair and Chief Hearing Officer) of Hays is a partner in Glassman, Bird, Braun & Schwartz, LLP where he has practiced law for the past 26 years. He serves as the City of Hays prosecutor. He is a graduate of Kansas State University and received his juris doctorate in 1981 from Washburn University School of Law. He is a member of the Ellis County Bar Association. He is the District 10 Governor for the KBA and has served on the Executive Committee. He was twice selected for a position with the Kansas Court of Appeals. He has been a public servant for numerous agencies including CASA, Big Brothers Big Sisters, St. John's Rest Home Endowment Assoc., Thomas More Prep-Marian High School Council of Education, and Immaculate Heart of Mary. As an adjunct professor at Fort Hays State, he has taught criminal law, criminal procedure and introduction to law. Mr. Braun was appointed to the Kansas Racing and Gaming Commission in 2005.



William Falstad of Fredonia has been the president of Kansas Bank Note Co. since 1963. KBNC is a printing company with customers throughout the United States, specializing in printed products for banks. He holds a Business Administration degree from the University of Wisconsin. After graduation, he worked in Chicago as a Certified Public Accountant for Arthur Anderson, 1956-1962, specializing in public utility audits, accounting systems and rate regulation. His public service began in 1970 when he became the Mayor of Fredonia, 1970-1978. He has also served on the Board of Directors of the National Printing Association, Fredonia Regional Hospital and First National Bank of Fredonia. He has been a member of and has served on the Board for the Kansas Chamber of Commerce. He has also served on the Kansas Performance Review Board and the Kansas Lottery Commission. Mr. Falstad was appointed to the Kansas Racing and Gaming Commission in 2005.



Barry Schwan of Wichita has been President of House of Schwan since 1985. He graduated with a Bachelor of Science degree from the University of Colorado in 1975. He has always taken an active role in business and community affairs. He is the current President of the Kansas Sports Hall of Fame, founding member of the Greater Wichita Area Sports Commission, serves on the Boards of the Kansas Humane Society, and Sedgwick County Zoological Society and Foundation. He has served on the Boards of Heartspring, National Beer Wholesalers Association, Wichita Chamber of Commerce, Wichita State University Foundation, Wichita Children's Home, Crestview Country Club, Kansas Beer Wholesalers Association, Chamber Pro Sports Committee and the Wichita/Sedgwick County Alcohol and Drug Abuse Advisory Board. Mr. Schwan was appointed to the Kansas Racing and Gaming Commission in 2007.



Kristine McKechnie of Arcadia owns and operates Horse Creek Ranch Quarter Horses. She graduated from the University of Kansas 1988 and from Kansas State University with her Masters of Public Administration degree in 1990. She has served on a number of Boards and Commissions including Governor Bill Graves Early Childhood Care, Education and Health Subcommittee, Leadership Kansas Board of Trustees, City of Pittsburg Planning and Zoning Commission, Board of Zoning Appeals, 11th Judicial District Juvenile Corrections Advisory Board, and currently serves as Vice-Chair of the Kansas Mentors Council. She co-owned and operated a weekly newspaper, the Girard Press, while serving as Director of Development at the Southeast Kansas Education Service Center. While at Greenbush she directed the Community Resources Department and dedicated her time to help create a Kansas Mentoring Partnership. Ms. McKechnie was appointed to the Kansas Racing and Gaming Commission in 2005.

Table of Contents

Key Actions and Divisions

| | |
|--|----|
| Executive Director's Report | 4 |
| Legal Division | 8 |
| Illegal Gambling | 9 |
| Responsible Gambling | 10 |
| Security Division | 11 |
| Audit and Electronic Security Division | 12 |
| Administration Division | 13 |
| Revenues and Expenditures | 14 |
| Organizational Chart | 15 |

Kansas Gaming

| | |
|-----------------------------|----|
| Boot Hill Casino and Resort | 16 |
| Hollywood Casino | 17 |
| Tracks and Racing | 18 |

Executive Director's Report

The Honorable Mark Parkinson
Governor, State of Kansas
Statehouse, Room 212-S
Topeka, Kansas 66612-1590

Dear Governor Parkinson,
This is the 2009 Annual Report of the Kansas Racing and Gaming Commission (KRGCC/commission). The report is a narrative and statistical summary of the KRGCC's regulatory responsibilities for calendar and fiscal year 2009.



Stephen Martino
Executive Director

Parimutuel Racing

Commercial Tracks

No racing was conducted at any of the commercial tracks in calendar year 2009.

On September 9, 2008, the KRGCC sent a notice to cure to each of the racetracks and non-profit organizational licensees for their failure to run live horse and greyhound races. As a result of these notices, each licensee was subject to having its license revoked. On December 5, 2008, the KRGCC issued an Administrative Order extending the licenses until 30 days after the Sine Die close of the 2009 Kansas Legislative Session, or July 5, 2009.

During the interim period, none of the tracks re-opened, none of the tracks began negotiating a contract with the Kansas Lottery to have electronic gaming machines at the tracks, and no race dates or re-opening plans were submitted to the KRGCC. However, the tracks requested an extension of the deadline for all licensees until July 21, 2009. This extension was granted.

At the Commission's meeting during the Anthony Downs fair meet, individuals from across the state, including several state legislators, as well as their constituents spoke to the Commission, requesting another extension, until September 21, 2009, to give the licensees time to submit re-opening plans to the KRGCC. This extension was also granted.

As of September 21, 2009, the Commission had received re-opening plans from each of the three parimutuel tracks, contingent on Legislative changes during the 2010 Kansas Legislative Session to make parimutuel racing more profitable in the state of Kansas. The new deadline for license revocation is 30 days after the Sine Die of the 2010 Legislative Session.

Fair Meets

K.S.A. 74-8813 and 74-8814 give the KRGC the authority to regulate fair meets in the state. In 2009, two fair meets were held, one at Anthony Downs and one at Eureka Downs. In 2009, the Eureka meet was held for ten days, beginning May 25 and 30, and continuing June 6, 13, 14, 20, 21, 27, 28 and July 4, with post times for all live race days at 1:30 p.m. The Anthony meet was held for six days – July 10, 11, 12, 17, 18, and 19 with post times at 5:30 p.m. on Fridays and 2:00 p.m. on Saturdays and Sundays.

Expanded Gaming

In 2007, the Kansas Legislature passed the Kansas Expanded Lottery Act, establishing four commercial casino licenses in four gaming zones. The act gave the Kansas Racing and Gaming Commission the responsibility for regulating the operation of expanded lottery gaming facilities in Kansas.

Review Board Activities

The Kansas Lottery Gaming Facility Review Board (Review Board) was organized under K.S.A. 74-8735. Under this section, the Review Board was placed within the Kansas Racing and Gaming Commission for staffing purposes.

The Review Board is comprised of seven members. The current membership is as follows:

| | |
|--------------------|-----------|
| Matt All, Chairman | Lawrence |
| Jim Bergfalk | Mission |
| Bob Boaldin | Elkhart |
| Garry Boston | Newton |
| Jack Brier | Topeka |
| Dean Ferrell | Topeka |
| Dr. Jackie Vietti | El Dorado |

As in 2008, the purpose of the Review Board is to review the applications forwarded from the Lottery Commission to determine the “best possible contract” in each gaming zone.

In 2009, the Review Board received contracts in the Northeast and South Central zones. Initially, the Lottery Commission approved two contracts in the Northeast zone – one by Penn National Gaming and a separate contract from Kansas Entertainment. However, prior to the in-zone meeting, Penn National Gaming joined the Kansas Entertainment application, taking the place of the Cordish Company.

In determining the best possible contract, the Review Board held five live meetings and two teleconferences, all of which were public meetings. The live meetings took place in three cities (Kansas City, Wellington and Topeka) from April 24, 2009, until December 1, 2009.

During the course of the Review Board’s work, the Board retained a team of consultants to assist the Board in evaluating the contracts. These consultants possessed expertise in areas such as gaming revenue projections, financial stability, fiscal impact analysis and ancillary development and construction cost analysis. The Board retained Dr. William Eadington as a general consultant as well as Will Cummings and Richard Wells to provide gaming revenue projections and gaming market studies. Meridian Business Advisors was once again hired to perform a fiscal impact analysis for the local governments. Civic Economics was once again retained to determine what the cannibalization effects of the new facilities would be on existing businesses in the community. In addition, the Board retained several new consultants. Union Gaming Group was hired to examine the financial sustainability of the manager applicants. Raving Consulting was retained to analyze the ancillary development of the management applications. Finally Construction Cost Systems was hired to perform a construction cost analysis of the applicants’ proposals.

KRGC staff hosted, staffed and planned all Review Board meetings, as well as compiling all information that the Review Board requested during the process. In addition, KRGC staff processed all incoming correspondence for the Review Board and maintained (and continues to maintain) all records of Review Board activities.

On December 1, 2009, the Review Board voted 7-0 in favor of the Kansas Entertainment contract as the “best possible contract” in the Northeast zone. That contract was subsequently forwarded to the KRGC for the Commission to perform background investigations on the applicant and its key employees.

The Board, however, was not able to find that the Chisholm Creek contract was the “best possible contract” in the South Central zone and, as a result, sent the Chisholm Creek contract back to the Lottery Commission for renegotiation,

consistent with K.S.A. 74-8736(d)(2). Those negotiations were still pending at the close of the calendar year.

The Review Board is once again dormant and will remain as such until the Lottery Commission agrees to a contract with the Chisholm Creek group, re-opens bidding in the South Central zone, or until a new bidder emerges in the Southeast zone.

Casino Regulation

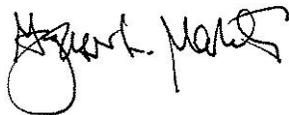
The Boot Hill Casino and Resort was scheduled to open in December 2009, consistent with its contract with the Kansas Lottery Commission. In preparation for this opening, KRGC staff:

- tested and approved the central computer system, as well as 1,089 electronic gaming machines and their related software,
- required two controlled demonstrations to ensure regulatory compliance, during which a 421 point audit checklist was verified,
- reviewed 337 temporary license applications, approving 302 and denying 35,
- reviewed 23 permanent license applications, approving 18 and denying 5,
- distributed responsible gaming materials in the Ford County area, and
- oversaw responsible gaming training for all casino employees.

The Boot Hill Casino and Resort opened to the public December 15, 2009. The KRGC has a licensed law enforcement officer on site at the facility whenever the facility is open to the public.

In addition, the KRGC oversaw the development of gaming regulations. In total, 243 gaming regulations were heard and enacted during the 2009 calendar year.

Respectfully Submitted,



Stephen Martino
Executive Director

Legal Division

The KRGC is statutorily assigned two assistant attorney generals “to assist it in all matters.” These two attorneys, along with a legal assistant, comprise the Legal Division. The work of the Legal Division can generally be divided into three areas: administrative, criminal and civil. Administratively, the KRGC’s attorneys research and prepare parimutuel and gaming regulations and also prosecute violations of those regulations in administrative hearings.



Patrick Martin
Asst. Attorney General/
Chief Counsel

Because the KRGC is also a law enforcement agency, the KRGC’s attorneys assist in criminal matters. Specifically, attorneys coordinate the KRGC’s response to complaints and information related to illegal gaming issues and act as counsel for the agency’s enforcement agents when necessary.

On civil issues, the KRGC’s attorneys assume both litigation and transactional roles – that is, the attorneys prepare contracts and represent the agency in law suits. The attorneys also act as in-house counsel providing research, analysis and communication necessary to either represent the agency or resolve any legal issues it has.

Responsible Gambling

Together with the Kansas Responsible Gambling Alliance, the KRGC developed a new problem gambling website www.ksgamblinghelp.com. In addition to the website, the Alliance and the KRGC have endorsed and aggressively marketed the national Problem Gambling Helpline, 800-522-4700.



Mike Deines
Director
Communications/Responsible Gambling

The KRGC worked closely with the Boot Hill Casino & Resort to ensure the facility appropriately addressed the dangers of problem gambling. In addition to signage in many parts of the facility, the KRGC was also able to have the problem gambling helpline and website advertised directly on the slot machines, as well as on billboards around the area.

The KRGC coordinated training for gambling counselors in the Dodge City area to assist them with identifying problems encountered by clients, as well as overseeing training for casino employees to identify early warning signs of potential problem gambling behavior.

In 2009, the KRGC kicked off the statewide Voluntary Exclusion Program. The program allows anyone who thinks they might have a gambling problem to exclude themselves from the state-owned casinos. Persons have an option of excluding themselves for a term of two years or for life. Those who choose the two year option must complete a series of healthy choices classes and undergo an assessment from a certified problem gambling counselor before the commission will consider taking them off the list.

Security and Licensing Division



Don Brownlee
Deputy Director
Security and Licensing

Security personnel are vested with the power and authority of law enforcement officers in the execution of the duties vested in the Commission by provisions of the Parimutuel Racing Act and the Expanded Lottery Act. The division's goals are:

- to ensure the integrity of racing and gaming in Kansas,
- to ensure racing and gaming sites are a safe entertainment venue for patrons and employees,
- to be proactive and responsive to racing and gaming laws and regulations, and
- to protect the interests of the public and the State as they relate to racing and gaming.

Security personnel work toward these goals by monitoring activities in the racing and gaming properties, and investigating criminal and regulatory violations of the acts. They serve as the on-site regulatory staff for the Kansas Racing and Gaming Commission (KRGC) to ensure operations comply with Kansas law and Commission regulations.

Security personnel also conduct background investigations of KRGC employees, management companies, racing and gaming facility employees, and vendors. Backgrounds are conducted to protect the public interest by maintaining a legitimate and viable gaming industry assuring honesty, good character and integrity of racing and gaming facility operators, employees, and vendors.

| BACKGROUND INVESTIGATIONS | |
|--|-----|
| Backgrounds Completed | 207 |
| Backgrounds in Process | |
| Corporate | 32 |
| Corporate Employees | 324 |
| Boot Hill Casino and Resort | 346 |
| LICENSES | |
| Parimutuel Licenses Issued | |
| Eureka Downs | 410 |
| Anthony Downs | 167 |
| Gaming Licenses Issued | |
| Corporate | 28 |
| Corporate Employees | 140 |
| Boot Hill Casino and Resort Employee Licenses Issued | |
| Commission Approved | 18 |
| Denied | 5 |
| Temporary | 302 |
| Denied | 35 |

Audit and Electronic Security Division

The Audit and Electronic Security Division is comprised of two sub-units, the audit unit and electronic security unit, each containing their own unique duties and functions. Both work to accomplish the goals of ensuring that the parimutuel and expanded gaming industries are held to the highest accounting and internal control standards and that the electronic systems used in those industries are accurate, secure and reliable.



Charles LaBoy
Deputy Director
Audit and Electronic Security

The Division is comprised of experts in their fields such as certified public accountants and certified information system security professionals who work diligently to ensure the commission has the best information available to make appropriate regulatory decisions. Services provided by the department include financial and compliance audits, certification of electronic gaming devices, information system security audits and consultation to the commission and the parimutuel and gaming industries in Kansas.

In 2009, the Audit and Electronic Security division tested and approved the central computer system, as well as 1,089 electronic gaming machines and their related software.

Administration Division

The Administration Division provides support services for the entire agency. These services include accounting, purchasing, budgeting, human resources, information technology and records management. The Division is also responsible for managing space and facilities, travel coordination, legislative tracking and fiscal note responses, the creation and management of formal agency policies, and the production of agency forms.



Don Cawby
Deputy Director
Administration

In 2009, the Division was responsible for the implementation of the agency's new gaming regulatory system. The system, acquired through a contract with IDPoint, Ltd., is a fully integrated regulatory software system that has been operating in other jurisdictions for over 10 years. The IDPoint system is a comprehensive regulatory system that allows the following to be performed on one system:

- processing gaming licenses and ID card issuance,
- electronic fingerprint processing,
- electronic document storage and management,
- gaming machine hardware and software inventory tracking, and
- electronic incident reporting and security logs.

In 2009, the Division was responsible for implementing and managing the agency's lay-off plan. Because of delays in the implementation of the Kansas Expanded Lottery Act, the KRGC had to make the difficult decision of laying off 11 classified employees, three unclassified employees, and a reduction to part-time status for another nine agency employees. The lay-offs resulted in a savings of more than \$460,000 for the year. At year's end, all part-time reductions had been restored to full-time status, and due to the increased workloads associated with the opening of Boot Hill Casino and Resort and the selection of the Hollywood Casino at the Kansas Speedway, the KRGC was able to hire back four of the employees that were laid off.

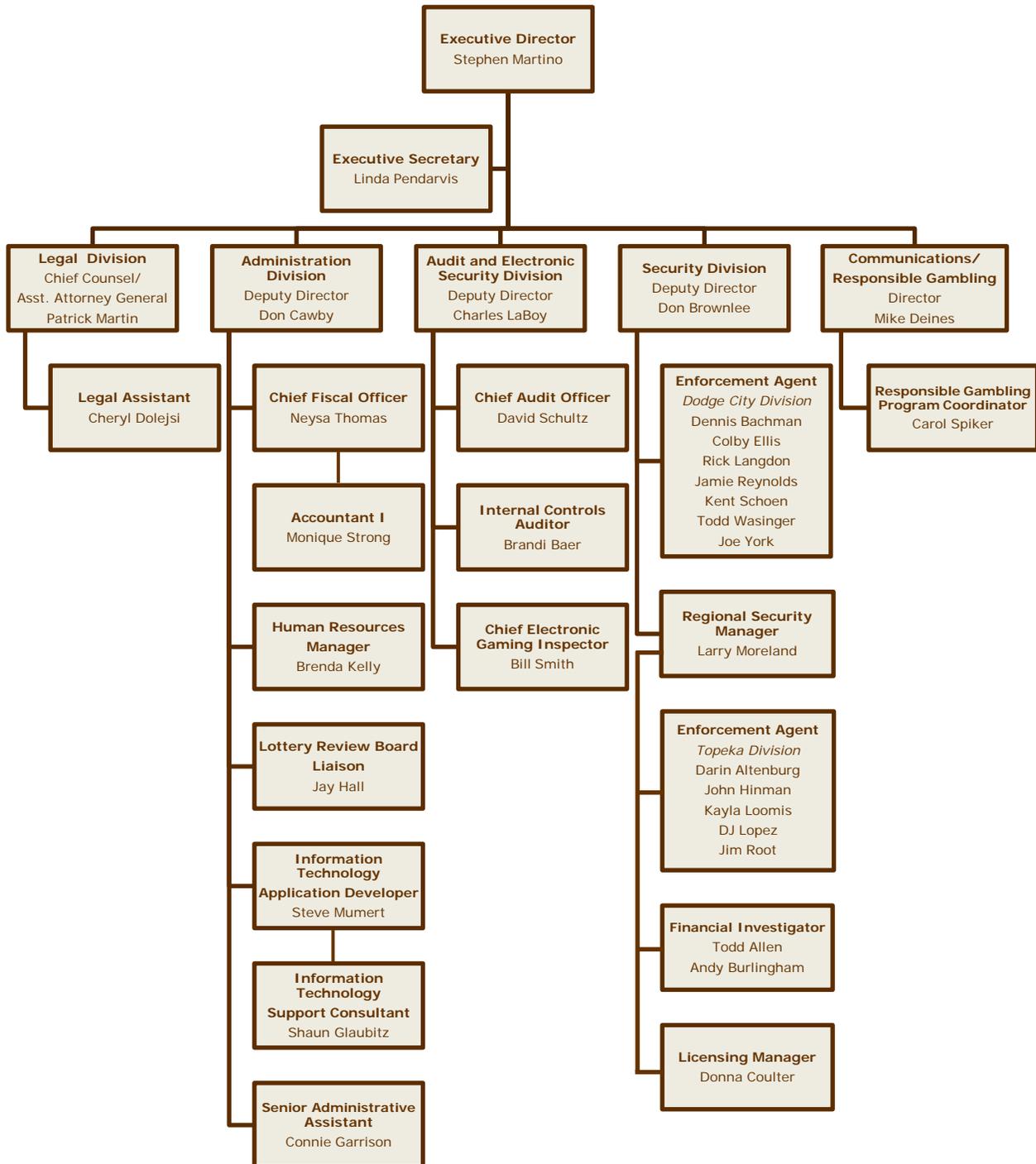
Revenue and Expenditures

| REVENUES | FY 2008 | FY 2009 |
|---------------------------|---------------------|---------------------|
| RACING | | |
| Parimutuel Tax | \$ 1,946,409 | \$ 261,757 |
| Admissions Tax | 1,270 | 2,601 |
| Unclaimed Winning Tickets | 409,027 | 188,273 |
| Breakage | 144,227 | 29,337 |
| License Fees & Fines | 142,419 | 15,276 |
| Operating Reimbursements | 548,458 | 169,133 |
| Fingerprint Fees | 26,067 | 850 |
| Transfers | 47,442 | (47,847) |
| Miscellaneous | 69,785 | (61,844) |
| Subtotal - Revenues | 3,335,104 | 557,537 |
| GAMING | | |
| Loan Proceeds | \$ 2,632,000 | \$ 2,368,000 |
| Review Board Charges | 1,650,000 | 0 |
| Background Reimbursements | 0 | 785,536 |
| Transfers | 0 | (35,424) |
| Subtotal – Revenues | 4,282,000 | 3,118,112 |
| TOTAL REVENUES | \$ 7,617,104 | \$ 3,675,649 |

| EXPENDITURES | FY 2008 | FY 2009 |
|---------------------------|---------------------|---------------------|
| RACING | | |
| Grants for Fair Meets | \$ 442,739 | \$ 131,579 |
| Racing Operations | 2,100,642 | 898,549 |
| Breed Supplements | 585,595 | 277,055 |
| Research Grants | 0 | 0 |
| Subtotal – Expenditures | 3,128,976 | 1,307,183 |
| GAMING | | |
| Gaming Operations | \$ 2,338,321 | \$ 2,096,844 |
| Review Board Expenses | 378,589 | 1,282,664 |
| Research Grants | 0 | 0 |
| Subtotal – Expenditures | 2,716,910 | 3,379,508 |
| TOTAL EXPENDITURES | \$ 5,845,886 | \$ 4,686,691 |

| REVENUES AND EXPENDITURES | FY2008 | FY2009 |
|---------------------------|--------------|--------------|
| TOTAL REVENUES | \$ 7,617,104 | \$ 3,675,649 |
| TOTAL EXPENDITURES | \$ 5,845,886 | \$ 4,686,691 |

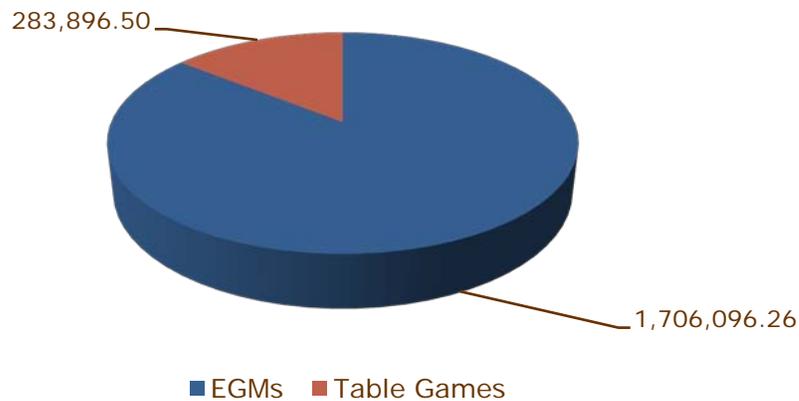
Organizational Chart



Boot Hill Casino and Resort

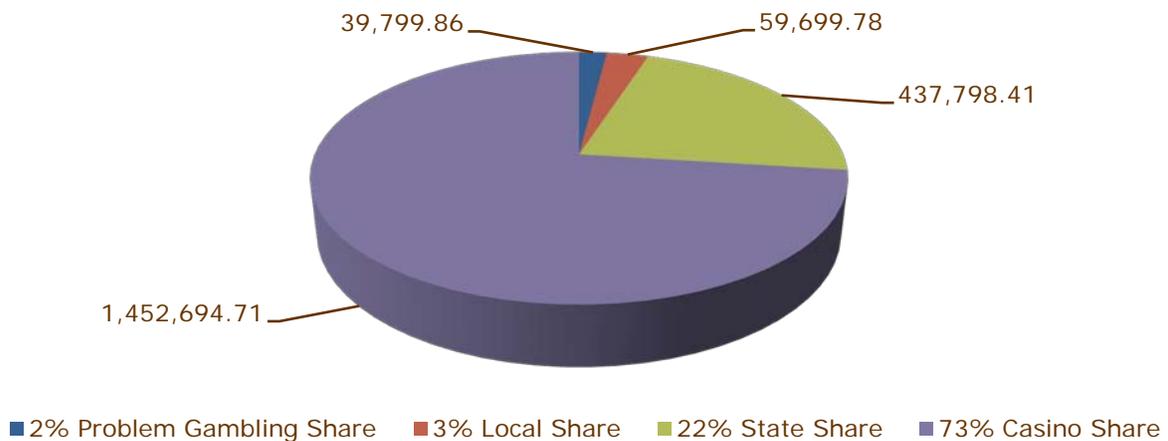
Boot Hill Casino and Resort is located at 4000 West Comanche in Dodge City. The casino opened to the public December 15, 2009. It houses 585 slot machines, 13 table games and 2 restaurants. The revenue figures represent total dollars from December 15-31, 2009.

**Boot Hill Casino and Resort
December 2009 Revenue***



(*as reported by the Kansas Lottery's central computer system)

Gaming Revenue Report



Hollywood Casino

Hollywood Casino at the Kansas Speedway is located at 400 Speedway Boulevard in Kansas City. It will be located just off the second turn of the speedway. The casino will house 2,300 slot machines, 86 table games, three restaurants and one coffee shop. It is expected to open late 2011 or early 2012.



Tracks and Racing

The Woodlands

The Woodlands racetrack in Kansas City features both a horse track and a greyhound track. No racing has been held at the Woodlands since August 23, 2008. As a result, the Woodlands' parimutuel license is currently subject to revocation.

Wichita Greyhound Park

Wichita Greyhound Park in Valley Center features a greyhound track. No racing has been held at Wichita Greyhound Park since October 6, 2007. As a result, Wichita Greyhound Park's parimutuel license is subject to revocation.

Camptown Greyhound Park

Camptown Greyhound Park in Frontenac features a greyhound track. No racing has been held at Camptown since November 13, 2000. As a result, Camptown's parimutuel license is currently subject to revocation.

Fair Meets

Eureka Downs (10-Day Meet)

| | | |
|----------------|----|---------|
| Handle | \$ | 272,745 |
| Purses | | 19,738 |
| Attendance | | 4,782 |
| Parimutuel Tax | | 9,869 |

Anthony Downs (6-Day Meet)

| | | |
|----------------|----|---------|
| Handle | \$ | |
| Horse | | 366,891 |
| Greyhound | | 35,149 |
| Purse | | |
| Horse | | 13,268 |
| Greyhound | | 1,745 |
| Attendance | | 2,966 |
| Parimutuel Tax | | |
| Horse | | 6,634 |
| Greyhound | | 1,309 |



Kansas Racing and Gaming Commission

700 SW Harrison
Suite 500
Topeka, KS 66603-3754
785.296.5800

<http://www.krgc.ks.gov>

April 2010 - March 2011

Kansas Racing and Gaming Commission Planner

| Apr 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

APRIL

9 Commission Meeting (rescheduled from April 16)

MAY

14 Commission Meeting

JUNE

3 Commission Meeting (rescheduled from June 11)

JULY

16 Commission Meeting

AUGUST

13 Commission Meeting

SEPTEMBER

10 Commission Meeting (rescheduled from September 17)

OCTOBER

13 Commission Meeting

NOVEMBER

12 Commission Meeting

DECEMBER

17 Commission Meeting

| Oct 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

| May 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Nov 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Jun 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Dec 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Jul 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Jan 2011 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Aug 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Feb 2011 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Sep 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| Mar 2011 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |