



# AUDIT HIGHLIGHTS

## WestWorld Operations

November 4, 2022

Audit No. 2209

### WHY WE DID THIS AUDIT

This audit of WestWorld Operations was performed to evaluate management controls and the effectiveness of marketing, event contracts, billing, expenses, and other operational aspects, primarily during fiscal years 2020/21 and 2021/22.

### BACKGROUND

WestWorld is a 386-acre equestrian and special event recreation facility operated by the City on federal land under an agreement with the Bureau of Reclamation (BOR).

The facility hosts many annual events including the All-Arabian Horse Show, the Barrett-Jackson Auto Auction, and the Parada del Sol Rodeo along with other events throughout the year.

Operating revenues include facility rentals and use fees, RV parking fees and feed and bedding sales. Over the past 5 years, WestWorld's net revenues have ranged from negative \$257,000 to more than \$1.9 million.

### City Auditor's Office

City Auditor 480 312-7867  
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### WHAT WE FOUND

**Negotiated facility rates do not consider the event labor hours, and rate and fee information does not accurately evaluate cost recovery.**

Specifically, we found:

- Individual equestrian events pay less on average than other events despite using more facilities and requiring more labor support.
- WestWorld rate analysis does not include City overhead and indirect costs and rates are generally lower than comparable facilities.

**Opportunities exist to improve facility use monitoring, marketing, billing, and RV processes.**

We found:

- WestWorld use statistics do not compare actual facility use to available capacity. Better analysis could assist marketing efforts.
- Manual task tracking and billing processes lead to inefficiencies and errors.
- Enhanced website services could streamline RV operations and improve the customer experience.

### WHAT WE RECOMMEND

We recommend WestWorld management:

- Develop a sliding scale for discounting facility rates and evaluate ways to offer all-inclusive facility fees for contracted events; conduct a thorough RV rate analysis and evaluate whether additional fees are needed; and use full-cost calculations when developing facility rates and fees.
- Report facility utilization as percentage of available capacity; implement technology systems to track facility management and event scheduling; streamline the billing process; ensure contract terms are applied; and update the WestWorld website for better customer service.

### MANAGEMENT RESPONSE

WestWorld management agreed with the recommendations and stated that they have already begun the process of making many of the suggested improvements.