



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

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LIMITED REVIEW OF LEASE REVENUE
FOR
DREAM CATCHER YACHTS

For the Period
June 1, 2004 through May 31, 2005

AUDIT NUMBER: 2542

REPORT DATE: MAY 9, 2006

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Deputy Director:	Eli Littner, CPA, CIA
Audit Manager:	Autumn McKinney, CPA, CIA
In-Charge Auditor:	Carol Swe, CPA, CIA
Senior Auditor:	Susan Nestor, CPA, CIA

**LIMITED REVIEW OF LEASE REVENUE FOR
DREAM CATCHER YACHTS**

**For the Period
June 1, 2004 through May 31, 2005**

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Transmittal Letter

Audit No. 2542

May 9, 2006

TO: George Carvalho, Director
Dana Point Harbor Department (DPHD)

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department

SUBJECT: Limited Review of Lease Revenue for Dream Catcher Yachts,
Sublease of T.B.W. Company, dba Dana West Marina
Parcel HA78H-24-20, 22

We have completed our limited review of lease revenue for Dream Catcher Yachts (DCY), a sublease of the lease agreement with T.B.W. Company, dba Dana West Marina (TBW), for the period June 1, 2004 through May 31, 2005. The final report is attached along with your responses to our recommendations.

Please note, beginning in January 2005, we implemented a more structured and rigorous Follow-Up Audit process in response to recommendations and suggestions made by the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS). **In the past, we followed-up on lease audit recommendations during a subsequent lease audit, which could be several years later.** As a matter of policy, our first Follow-Up Audit will now begin at six months upon the official release of the report. The AOC and BOS expect that audit recommendations will typically be implemented within six months and often sooner for significant and higher risk issues. Our second Follow-Up Audit will now begin at 12 months from the release of the original report by which time all audit recommendations are expected to be addressed or implemented.

At the request of the AOC, we are to bring to their attention any audit recommendations we find still not implemented or mitigated after the second Follow-Up Audit. The AOC requests that such open issues appear on the agenda at their next scheduled meeting for discussion.

We have attached a Follow-Up Audit Report Form. The Dana Point Harbor Department should complete this template as our audit recommendations are implemented. When we perform our Follow-Up Audit approximately six months from the date of this report, we will need to obtain the completed document to facilitate our review.

*George Carvalho, Director
Dana Point Harbor Department
May 9, 2006
Page ii*

As the Director of Internal Audit, I now submit a monthly audit status report to the Board of Supervisors (BOS) where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

As always, the Internal Audit Department is available to partner with the Dana Point Harbor Department so they can successfully implement or mitigate difficult audit recommendations. Please feel free to call me should you wish to discuss any aspect of our audit report or recommendations.

Additionally, we will be forwarding to the Dana Point Harbor Department a Customer Survey of Audit Services for completion. The Dana Point Harbor Department will receive the survey shortly after the distribution of this report.

Attachment

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Paul Lawrence, Manager, DPHD/Leasing & Revitalization
Bryan Speegle, Director, Resources & Development Management Department (RDMD)
Mary Fitzgerald, Manager, RDMD/Accounting Services
Betsy Estrada, Chief, RDMD/Accounting Services/External Claims/HB&P Programs
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors



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INTERNAL AUDITOR'S REPORT

Audit No. 2542

May 9, 2006

TO: George Carvalho, Director
Dana Point Harbor Department (DPHD)

SUBJECT: Limited Review of Lease Revenue for Dream Catcher Yachts,
Sublease of T.B.W. Company, dba Dana West Marina
Parcel HA78H-24-20, 22

We have performed a limited review of certain records and documents of Dream Catcher Yachts (DCY) for the year ended May 31, 2005. DCY is a sub lessee under the lease agreement (Lease Agreement) between the County of Orange (County) and T.B.W. Company, dba Dana West Marina (TBW), dated October 21, 1975, as amended. The Lease Agreement is primarily for the operation of the Dana Point West Marina located at Dana Point Harbor. DCY, through a sublease with TBW, dated January 3, 2003, operates a boat brokerage service at the marina.

The primary purpose of our review is to determine whether DCY's records adequately supported gross receipts reported to the County. We also reviewed compliance with certain other provisions of the Lease Agreement, such as accounting methods and payment procedures.

Based on our limited review, we find that DCY has retained sufficient documentation to adequately support monthly gross receipts reported to the County. **No material weaknesses or significant issues were identified.** However, we identified that additional rent of **\$79,070** is owed the County for the period 9/2002 through 8/2005. We also identified nine control findings related to compliance with the Lease Agreement that are noted in the Detailed Observations, Recommendations and Management Responses section of this report. See Attachment A for a description of report item classifications.

We appreciate the courtesy and cooperation extended to us by the personnel at DCY, TBW, DPHD, and RDMD/Accounting Services. If you have any questions regarding our limited review of lease revenue, please call me, Eli Littner, Deputy Director, at (714) 834-5899, or Autumn McKinney, Audit Manager, at (714) 834-6106.

Peter Hughes, Ph.D., CPA
Director, Internal Audit

*George Carvalho, Director
Dana Point Harbor Department
May 9, 2006
Page 2*

Attachment A – Report Item Classifications
Attachment B – DPHD Management Response

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Paul Lawrence, Manager, DPHD/Leasing & Revitalization
Bryan Speegle, Director, Resources & Development Management Department (RDMD)
Mary Fitzgerald, Manager, RDMD/Accounting Services
Betsy Estrada, Chief, RDMD/Accounting Services/External Claims/HB&P Programs
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors

EXECUTIVE SUMMARY

OBJECTIVES

The Internal Audit Department conducted a limited review of lease revenue pertinent to the lease agreement with T.B.W. Company, dba Dana West Marina (TBW), for the primary purpose of determining whether the records of Dream Catcher Yachts (DCY), a sublease of TBW, adequately supported gross receipts remitted to the County.

BACKGROUND

The County of Orange entered into a 30-year lease agreement (Lease Agreement) with T.B.W. Company dba Dana West Marina (TBW), dated October 21, 1975, for the operation of the Dana Point West Marina, and other boat-related services, located at Dana Point Harbor. TBW subsequently entered into a sublease with DCY, commencing October 1, 2002, for the operation of a boat brokerage service at the marina. In 2004, DCY generated \$351,075 in gross receipts and remitted to the County over \$17,500 in rent payments.

The Lease Agreement with TBW expired October 31, 2005. The County has entered into a management agreement with TBW for the continued operation of the West Marina commencing on November 1, 2005. During the transition period, the County has entered into month-to-month leases with TBW's former sublessees including DCY.

SCOPE

Our review was limited to certain records and documents that support DCY's gross receipts reported to TBW and remitted to the County for the period from June 1, 2004 to May 31, 2005. We also reviewed compliance with certain other provisions of the Lease Agreement, such as accounting methods and payment procedures. Our review included inquiry, auditor observation, and limited testing for assessing the adequacy of documentation and ensuring completeness of reported gross receipts.

CONCLUSION

Based on our limited review, we find that DCY has retained sufficient documentation to adequately support monthly gross receipts reported to the County. **No material weaknesses or significant issues were identified.** However, we identified that additional rent of **\$79,070** is owed the County for the period 9/02 through 8/05. We also identified nine control findings related to compliance with the Lease Agreement that are noted in the Detailed Observations, Recommendations and Management Responses section of this report. See Attachment A for a description of report item classifications.



DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

Incorrect Rent Percentages Used

In addition to a fixed monthly building rent, DCY is required to report its gross receipts to TBW and pay percentage rent to the County. Clause 10 of the Lease Agreement identifies the rent categories and related rent percentages. DCY and TBW used an incorrect percentage to calculate the percentage rent.

Finding Nos. 1 and 2: DCY sells new and used boats. For used boats, DCY acts as a broker and earns a commission/brokerage. For new boat sales, DCY earns the difference between the sales price paid by the customer and the costs (such as amounts paid to the boat manufacturer, sales tax, etc.). Per Clause 4.3.1 of the Sublease dated 1/03/03, DCY must pay TBW rent of “5% of Gross Income.” However, the Lease Agreement between the County and TBW requires rent of 10% of the used boat commissions and 1.5% of the new boat sales prices. TBW paid rent of 5% of the commissions for both new and used boat sales.

- Used Boat Sales: We calculated additional rent owed of **\$19,085** (5% x \$381,709) for the period 9/01/02 (sublease inception) through 8/31/05. This represents the difference between the 5% rent paid versus the 10% rent required. This issue has already been reported in our Audit Report No. 2539 (audit of master lessee - TBW) and no specific recommendation will be made in this audit report.
- New Boat Sales: We calculated additional rent owed of **\$40,767** for finalized sales and **\$19,218** of new boats still under construction for the period 9/01/02 (sublease inception) through 8/31/05. See table below for details of the calculation:

New Boat Finalized Sales by Office	Total Sales Price	Commission Reported	Rent Paid @ 5% of Commission	Rent Owed @ 1.5% of Sales Price	Additional Rent Owed
East*	\$1,155,296	\$159,914	\$7,996	\$17,329	\$9,334
West	\$1,686,136	\$154,079	\$7,704	\$25,292	\$17,588
East/West*	\$1,396,170	\$141,943	\$7,097	\$20,943	\$13,845
Subtotal	\$4,237,602	\$455,937	\$22,797	\$63,564	\$40,767
New Boats Under Construction As of 8/2005 by Office	Deposits Received	Commission Reported	Rent Paid @ 5% of Commission	Rent Owed @ 1.5% of Sales Price	Additional Rent Owed
East*	\$66,800	\$3,150	\$0	\$1,002	\$1,002
West	\$1,232,775	\$45,879	\$2,294	\$18,492	\$16,198
East/West*	\$222,240	\$26,325	\$1,316	\$3,334	\$2,018
Subtotal	\$1,585,415	\$75,354	\$3,610	\$22,828	\$19,218
Total	\$5,823,017	\$531,291	\$26,407	\$86,392	\$59,985

* For sales listed as “East,” also see Finding No. 3 below. For sales listed as “East/West,” the sale was made by the DCY Manager, who works out of both locations.



Recommendation No. 1: We recommend that DPHD require DCY and TBW to pay additional rent owed of **\$59,985** (40,767 + 19,218) for new boat sales (both finalized and in progress) during the period 9/01/02 - 8/31/05.

DPHD Response: DPHD concurs; estimated completion date is August 28, 2006 (this completion is dependent upon negotiations between TBW and a former sub-tenant).

Recommendation No. 2: We also recommend that DPHD require DCY and TBW to calculate and pay rent owed for new boat sales for the period 9/1/05 through the date of correction.

DPHD Response: DPHD concurs; estimated completion date is August 28, 2006 (this completion is dependent upon negotiations between TBW and a former sub-tenant).

New Boats Sold from East Marina Location

The owners of DCY operate another facility in the East Marina named Dana Harbor Yacht Sales, Inc., dba DCY East, which also provides new and used boat brokering services. DCY East has a separate lease agreement with the County, managed by the Dana Point Marina Company (DPMC), for this facility located at 34571 Golden Lantern.

Finding No. 3: We noted that DCY reported gross receipts for new boat sales made from its East Marina location to TBW (West Marina), rather than DPMC (East Marina). These new boat sales (5 new boats sold and 1 in process as of 8/31/05) should have been reported to DPMC.

As these new boat sales were incorrectly reported to TBW (West Marina), the incorrect rent percentage (as discussed above in Finding No. 1) was also used for these new boat sales. Accordingly, these new boat sales are included in the table above in Finding No. 1.

Recommendation No. 3: We recommend that DPHD determine the responsible party for paying rent owed to the County for new boat sales made from the East Marina, but reported to TBW (West Marina).

DPHD Response: Dream Catcher should pay the percentage rents owed under the East Basin Marina lease agreement for boats sold from the East Basin Marina office.

Other New Boat Charges

Clause 12 of the Lease Agreement states that gross receipts shall include all charges made whether payment is made or not.

Finding No. 4: DCY did not include in gross receipts the cost of factory options or miscellaneous costs for new boat sales. Instead, percentage rent payments to the County were calculated only on net commissions earned by DCY. In calculating additional rent owed for new boat sales noted above in the table for Finding No. 1, we included factory options and miscellaneous costs in the sales price. A different percentage rent category may be required, such as retail sales, if items are added “after market.”



Recommendation No. 4: We recommend that DPHD clarify and communicate in writing to DCY what should be included in gross receipts for new boat sales (such as factory options and miscellaneous costs) and the appropriate rent percentages.

DPHD Response: New boat sales agreements that include optional equipment & accessories are to be in their entirety subject to 1.5% percentage rent. The above clarification and the issue of a separate percentage rent category for “after-market” accessory and/or equipment sales (at 10%) will be addressed in the new yacht broker lease document to be implemented in the near future. In the interim, the yacht brokers can be notified of these clarifications/changes and implement them with advance written notice (30 days). The estimated completion date for the interim solution is June 1, 2006.

Other Income

Finding No. 5: DCY reported and paid 5% rent of \$1,395 on commissions received from failed/incomplete new boat sales and finder’s fees for new boat sales. Clause 10 of the Lease Agreement does not specifically state the rent percentage for this type of gross receipt.

Recommendation No. 5: We recommend that DPHD clarify in writing the appropriate percentage rent category for these types of gross receipts.

DPHD Response: Percentage rent should be paid on the monies collected relative to the same percentage rent category as the monies were initially directed toward (i.e.: if the deposit was for a failed new boat purchase, the monies retained should be given the same treatment as if the failed transaction had been successful, 1.5% of the amount collected should be paid as percentage rent to the County). Finder’s fees for new boat sales should be subject to percentage rent at 10% (the same percentage rent as applies to used boat sales commissions). The issue of a separate percentage rent category for forfeited new boat purchase deposits and finder’s fees for new boat sales will be addressed in the new yacht broker lease document to be implemented in the near future. In the interim, the yacht brokers can be notified of these changes and implement them with advance written notice (30 days). The estimated completion date for the interim solution is June 1, 2006.

Incomplete Documentation

Clause 14 of the Lease Agreement requires DCY to maintain true and complete books, records and accounts of all financial transactions in the operation of all business activities. Records must be supported by adequate source documents to ensure gross receipts are accurately reported to the County.

Finding No. 6: We found that DCY maintains a manual log of used boat sales, assigning a sequential number to each used boat sale. However, a log of new boats sales is not maintained and a sequential number is not assigned, making it difficult to establish that sales reported to the County are complete. Utilizing sequentially numbered sales agreements would help ensure gross receipts from new boat sales are accurately and completely reported to the County.

Recommendation No. 6: We recommend that DPHD require DCY to sequentially number and account for new boat sales agreements.

DPHD Response: DPHD concurs; estimated completion date is May 15, 2006.



Finding No. 7: During testing of sixteen completed new boat sales, we noted three final closing statements were not signed by the buyer and three final closing statements could not be located. The signed statement provides assurance that the final sales price is reported accurately in gross receipts.

Recommendation No. 7: We recommend that DPHD require DCY to maintain complete records of all new boat sales, including the final closing statements signed by the buyer.

DPHD Response: DPHD concurs; estimated completion date is May 15, 2006.

Discounts

Finding No. 8: Several years ago, the current owner brokered a used-boat deal for the prior owner and elected to forego the brokerage commission. We estimated that rent was underpaid by an immaterial amount. The Lease Agreement does not address reporting of discounts.

Recommendation No. 8: We recommend that DPHD clarify in writing the appropriate reporting for discounts on commissions.

DPHD Response: Records of any such transaction(s) should be maintained by Dreamcatcher. Dreamcatcher should not waive amounts due to County, even if they waive their portion of said commission. For example, if a commission on a \$100,000 used boat sale at 10% (\$10,000) was waived, the 10% percentage rent payable on that commission (\$1,000) should still be paid to the County.

Deductions from Commissions

Finding No. 9: DCY deducts bank fees from used boat brokerage commissions reported as gross receipts. Although these deductions are immaterial, the total amount of commissions should be reported.

Recommendation No. 9: We recommend that DPHD require DCY to report the total commissions as used boat gross receipts rather than net commissions.

DPHD Response: DPHD concurs; estimated completion date is May 15, 2006.



ATTACHMENT A: Report Item Classifications

For purposes of reporting our audit observations and recommendations, we have classified audit report items into three distinct categories:

Material Weaknesses:

Audit findings or a combination of Significant Issues that can result in financial liability and exposure to a department/agency and to the County as a whole. Management is expected to immediately address “Material Weaknesses” brought to their attention.

Significant Issues:

Audit findings or a combination of Control Findings that represent a significant deficiency in the design or operation of processes or internal controls. Significant Issues do not present a material exposure throughout the County. They generally will require prompt corrective actions.

Control Findings:

Audit findings that require management’s corrective action to implement or enhance processes and internal controls. Control Findings are expected to be addressed within our follow-up process of six months, but no later than twelve months.



ATTACHMENT B: DPHD Management Responses



COUNTY OF ORANGE
DANA POINT HARBOR DEPARTMENT

George A. Carvalho, Director
24650 Dana Point Harbor Drive
Dana Point, CA 92629

Telephone: (949) 923-3798
Fax: (949) 496-1225

DATE: May 3, 2006
TO: Peter Hughes, Ph.D., CPA, Director Internal Audit Department
FROM: George A. Carvalho, Director Dana Point Harbor Department
SUBJECT: Limited Review of Lease Revenue for Dream Catcher Yachts,
Sublease of T.B.W. Company, dba Dana West Marina; Parcel HA78H-24-20, 22;
Audit 2542.
CC:

George A. Carvalho
GEORGE A. CARVALHO

Attached are responses to the findings and recommendations of your audit: Limited Review of Lease Revenue for Dream Catcher Yachts, Sublease of T.B.W. Company, dba Dana West Marina Parcel HA78H-24-20, 22; Audit 2542. We concur with your recommendations, and have provided clarifications where requested.

I would like to express my appreciation for your department's work regarding the audit of Dream Catcher Yachts.

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ATTACHMENT B: DPHD Management Responses (cont.)

Dana Point Harbor Department Response

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

Incorrect Rent Percentages Used

In addition to a fixed monthly building rent, DCY is required to report its gross receipts to TBW and pay percentage rent to the County. Clause 10 of the Lease Agreement identifies the rent categories and related rent percentages. DCY and TBW used an incorrect percentage to calculate the percentage rent.

Finding Nos. 1 and 2: DCY sells new and used boats. For used boats, DCY acts as a broker and earns a commission/brokerage. For new boat sales, DCY earns the difference between the sales price paid by the customer and the costs (such as amounts paid to the boat manufacturer, sales tax, etc.). Per Clause 4.3.1 of the Sublease dated 1/03/03, DCY must pay TBW rent of "5% of Gross Income." However, the Lease Agreement between the County and TBW requires rent of 10% of the used boat commissions and 1.5% of the new boat sales prices. TBW paid rent of 5% of the commissions for both new and used boat sales.

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Dana Point Harbor Department Response

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Recommendation No. 1: We recommend that DPHD require DCY and TBW to pay additional rent owed of **\$59,985** (40,767 + 19,218) for new boat sales (both finalized and in progress) during the period 9/01/02 - 8/31/05.

DPHD Response: DPHD concurs; estimated completion date is August 28, 2006 (this completion is dependent upon negotiations between TBW and a former sub-tenant).

Recommendation No. 2: We also recommend that DPHD require DCY and TBW to calculate and pay rent owed for new boat sales for the period 9/1/05 through the date of correction.

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Recommendation No. 3: We recommend that DPHD determine the responsible party for paying rent owed to the County for new boat sales made from the East Marina, but reported to TBW (West Marina).

DPHD Response: Dreamcatcher should pay the percentage rents owed under the East Basin Marina lease agreement for boats sold from the East Basin Marina office.

Other New Boat Charges

Clause 12 of the Lease Agreement states that gross receipts shall include all charges made whether payment is made or not.

Audit No. 2542



Dana Point Harbor Department Response

Finding No. 4: DCY did not include in gross receipts the cost of factory options or miscellaneous costs for new boat sales. Instead, percentage rent payments to the County were calculated only on net commissions earned by DCY. In calculating additional rent owed for new boat sales noted above in the table for Finding No. 1, we included factory options and miscellaneous costs in the sales price. A different percentage rent category may be required, such as retail sales, if items are added “after market.”

Recommendation No. 4: We recommend that DPHD clarify and communicate in writing to DCY what should be included in gross receipts for new boat sales (such as factory options and miscellaneous costs) and the appropriate rent percentages.

DPHD Response: New boat sales agreements that include optional equipment & accessories are to be in their entirety subject to 1.5% percentage rent. The above clarification and the issue of a separate percentage rent category for “after-market” accessory and/or equipment sales (at 10%) will be addressed in the new yacht broker lease document to be implemented in the near future. In the interim, the yacht brokers can be notified of these clarifications/changes and implement them with advance written notice (30 days). The estimated completion date for the interim solution is June 1, 2006.

Other Income

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DPHD Response: Percentage rent should be paid on the monies collected relative to the same percentage rent category as the monies were initially directed toward (i.e.: if the deposit was for a failed new boat purchase, the monies retained should be given the same treatment as if the failed transaction had been successful, 1.5% of the amount collected should be paid as percentage rent to the County). Finder’s fees for new boat sales should be subject to percentage rent at 10% (the same percentage rent as applies to used boat sales commissions). The issue of a separate percentage rent category for forfeited new boat purchase deposits and finder’s fees for new boat sales will be addressed in the new yacht broker lease document to be implemented in the near future. In the interim, the yacht brokers can be notified of these changes and implement them with advance written notice (30 days). The estimated completion date for the interim solution is June 1, 2006.

Audit No. 2542



Dana Point Harbor Department Response

Incomplete Documentation

Clause 14 of the Lease Agreement requires DCY to maintain true and complete books, records and accounts of all financial transactions in the operation of all business activities. Records must be supported by adequate source documents to ensure gross receipts are accurately reported to the County.

Finding No. 6: We found that DCY maintains a manual log of used boat sales, assigning a sequential number to each used boat sale. However, a log of new boats sales is not maintained and a sequential number is not assigned, making it difficult to establish that sales reported to the County are complete. Utilizing sequentially numbered sales agreements would help ensure gross receipts from new boat sales are accurately and completely reported to the County.

Recommendation No. 6: We recommend that DPHD require DCY to sequentially number and account for new boat sales agreements.

DPHD Response: DPHD concurs; estimated completion date is May 15, 2006.

Finding No. 7: During testing of sixteen completed new boat sales, we noted three final closing statements were not signed by the buyer and three final closing statements could not be located. The signed statement provides assurance that the final sales price is reported accurately in gross receipts.

Recommendation No. 7: We recommend that DPHD require DCY to maintain complete records of all new boat sales, including the final closing statements signed by the buyer.

DPHD Response: DPHD concurs; estimated completion date is May 15, 2006.

Discounts

Finding No. 8: Several years ago, the current owner brokered a used-boat deal for the prior owner and elected to forego the brokerage commission. We estimated that rent was underpaid by an immaterial amount. The Lease Agreement does not address reporting of discounts.

Recommendation No. 8: We recommend that DPHD clarify in writing the appropriate reporting for discounts on commissions.

DPHD Response: Records of any such transaction(s) should be maintained by Dreamcatcher. Dreamcatcher should not waive amounts due to County, even if they waive their portion of said commission. For example, if a commission on a \$100,000 used boat sale at 10% (\$10,000) was waived, the 10% percentage rent payable on that commission (\$1,000) should still be paid to the County.

Audit No. 2542



Dana Point Harbor Department Response

Deductions from Commissions

Finding No. 9: DCY deducts bank fees from used boat brokerage commissions reported as gross receipts. Although these deductions are immaterial, the total amount of commissions should be reported.

Recommendation No. 9: We recommend that DPHD require DCY to report the total commissions as used boat gross receipts rather than net commissions.

DPHD Response: DPHD concurs; estimated completion date is May 15, 2006.

Audit No. 2542

