OC Board of Supervisors'
Internal Audit Department
ORANGE COUNTY

AUDIT HIGHLIGHT May 23, 2008

INTERNAL AUDITOR'S REPORT TO THE BOARD OF SUPERVISORS

REVIEW OF LEASE REVENUE
RIVER VIEW GOLF COURSE, Audit No. 2736

WHAT WE FOUND?

River View Golf Course paid the proper amount of rent to the County with one minor exception.

In addition, we noted certain control findings related to lease compliance or internal controls that if implemented will help to further ensure the complete and accurate reporting of future rent.

WHY WE DID THIS AUDIT?

We performed this audit to ensure the County is receiving the proper rent as defined by the lease agreement.

WHY IS THIS AUDIT IMPORTANT?

Rent is paid to the County based on a percentage of gross receipts. We audit the underlying books and records to ensure gross receipts are complete. During the 2006 calendar year, River View Golf Course generated approximately $1.5 million in gross receipts and paid the County approximately $81,000 in rent. River View Golf also pays rent to the City of Santa Ana for the adjacent property as described below.

BACKGROUND INFORMATION (SEE COMPLETE AUDIT REPORT FOR DETAIL)

The Orange County Flood Control District entered into a lease agreement with River View Golf Course dated September 2, 1969, as amended and assigned, for the operation of a golf course, snack bar, pro shop, and golf instruction located on the Santa Ana River Channel property in conjunction with adjacent land owned by the City of Santa Ana.

For more information, please contact Dr. Peter Hughes, CPA, Director of the Internal Audit Department at (714) 834-5475 or peter.hughes@iad.ocgov.com