

AUDIT HIGHLIGHT

JUNE 28, 2010

REVENUE GENERATING LEASE AUDIT:

JOHN WAYNE AIRPORT AIRPORT MANAGEMENT SERVICES, LLC DBA HUDSON GROUP Audit No. 2932

\$5.8M Gross Receipts Annually\$1.1M Rent paid to the County Annually

WHY IS THIS AUDIT IMPORTANT?

Hudson Group operates news/gift shops and specialty retail stores at the John Wayne Airport terminal. Over the five (5) year terms, the two lease agreements are estimated to generate about **\$5.3 million** in rent to the County. 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 and rent is properly paid as defined by the lease agreement. During the 12-month audit period of November 1, 2008 through October 31, 2009, Hudson Group reported about **\$5.8 million** in total gross receipts and paid the County about **\$1.1 million** in rent.

WHAT THE AUDITORS FOUND?

Successes

We found that Hudson Group's records adequately supported total gross receipts of about \$5.8 million and total rent of about \$1.1 million was properly paid to the County in accordance with the lease agreements.