



I n t e r n a l A u d i t D e p a r t m e n t

O R A N G E C O U N T Y

AUDIT HIGHLIGHT

OCTOBER 5, 2010

REVENUE GENERATING LEASE AUDIT: OC COMMUNITY RESOURCES/OC PARKS IRVINE PARK RAILROAD & CONCESSIONS Audit No. 2935

**\$1.25M GROSS RECEIPTS
ANNUALLY
\$188K RENT PAID TO THE
COUNTY ANNUALLY**

WHY IS THIS AUDIT IMPORTANT?

Irvine Park Railroad & Concessions operates a train ride concession and other park concessions at Irvine Regional Park. Over its approximate twenty-one (21) year term, this lease agreement is estimated to generate approximately **\$3.8 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 audit period of February 1, 2009 through January 10, 2010, Irvine Park Railroad & Concessions reported approximately **\$1.25 million** in gross receipts and paid the County approximately **\$188,000** in rent.

WHAT THE AUDITORS FOUND?

Successes

We found that Irvine Park Railroad & Concessions' records adequately supported gross receipts of approximately \$1.25 million and rent of approximately \$188,000 was properly paid to the County in accordance with the lease agreement.

Audit Findings and Control Recommendations

We identified three **(3) Control Findings** related to improving records and changing the methodology for reporting gross receipts. OC Parks agreed with all three (3) findings and recommendations and has worked with Irvine Park Railroad & Concessions to implement corrective action.