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**MICHAEL POST, CPA, CIA**  
**HARRIS COUNTY AUDITOR**

May 27, 2025

Dear Commissioner Rodney Ellis:

The Harris County Auditor's Office Audit Division has completed a contract compliance audit of the golf course concession agreement between Harris County Precinct One and the current concessionaire for Clear Creek Golf Course. The results of our audit are included in the attached report.

We appreciate the time and attention provided by your team. Please expect an email request to complete our Post Engagement Survey. We look forward to your feedback. If you have any questions, please contact me or Glenn Holloway, Chief Assistant County Auditor, 713-274-5673.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post". The signature is written in a cursive style with a long horizontal stroke at the end.

Michael Post  
County Auditor

Attachment

Report Copies:

District Judges

County Judge Lina Hidalgo

Commissioners:

Lesley Briones

Adrian Garcia

Tom Ramsey

County Attorney Christian Menefee



Internal Audit Report

# PRECINCT ONE GOLF COURSE CONCESSIONAIRE AUDIT

MAY 27, 2025

## Executive Summary

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### OVERALL CONCLUSION

Overall, there was compliance with the key financial terms of the golf course concession agreement between Harris County Precinct One (Precinct One) and CF Clear Creek Arcis, LLC (Concessionaire). However, there is an opportunity to improve compliance by ensuring fee schedule rate changes are approved by the Harris County Commissioners Court, as required by the agreement. The observation was discussed with Precinct One's Chief Financial Officer, and management's action plan has been developed to address the observation identified.

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### SCOPE AND OBJECTIVE

The audit procedures assessed compliance with the key financial terms outlined in the golf course concession agreement during the period of October 1, 2023, to September 30, 2024.

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### SUMMARY OF AUDIT OBSERVATION

- Fee schedule rate changes were not approved by the Harris County Commissioners Court.

This report includes the audit observation, management's action plan to address the observations, and some background information. The audit observation is ranked based on the likelihood and impact of the risk to Harris County.

## AUDIT OBSERVATION

### **OBSERVATION: Fee Schedule Rate Changes Were Not Approved by the Harris County Commissioners Court. [LOW]**

**What is the Observation:** Changes to the fee schedule rates (i.e., the agreed-upon rates) during the audit period were not approved by the Harris County Commissioners Court, as required by the agreement.

**Why it Happened:** Due to staff turnover within Precinct One and the change of the Concessionaire, neither party was aware of the contractual requirement for the fee schedule rates to be approved by the Harris County Commissioners Court.

**Why it Matters:** Without proper approval of the fee schedule rates, there is an increased risk of unauthorized rate changes, reduced transparency, and potential noncompliance with the agreement terms, which may impact revenue oversight and public trust.

**What is Expected:** According to the agreement, Article VI "Consideration", "Concessionaire shall operate and manage all concessions and collections of green fees on the premises. The amount of any fees and all rates and prices charged shall be subject to the prior approval of the Harris County Commissioners Court."

**What Action(s) are Suggested:** Request formal approval from the Harris County Commissioners Court for the current fee schedule rates. Formally communicate to the appropriate staff members and the Concessionaire's employees that any future changes to the fee schedule rates must receive prior approval from the Harris County Commissioners Court.

### **MANAGEMENT'S ACTION PLAN**

**Responsible Party:** Errika Perkins, Chief Financial Officer

The concessionaire's green fees are published on the golf course's website for transparency and convenience. To reduce the administrative burdens on the Commissioner's Court, the contractual requirement to obtain the Court's approval of the concessionaire's fee schedule will be removed from the concessionaire's agreement at the next renewal.

**Targeted Completion Date:** February 17, 2026.



## BACKGROUND

On February 18, 1986, Harris County (County) entered into a 30-year concessionaire agreement with BSL Management, Inc. (BSL), to design, construct, operate, and maintain an 18-hole public golf course on designated tracts of land within Precinct One's Tom Bass Regional Park. In exchange, BSL agreed to pay the County a concession fee derived from greens fees, proceeds from the sale of food and beverages, and proceeds from the rental of golf carts, equipment, and lockers. Upon termination of the agreement, all golf course facilities and improvements are to be transferred to the County. Amendment One to the agreement effective September 1, 1987, extended the term of the agreement and incorporated two automatic 10-year renewal extensions. Amendment One also increased the amount the Concessionaire shall pay the County for Operating year 4 and thereafter from 8% to 9% of annual gross receipts. On July 22, 2014, the concessionaire was changed transferring all rights and obligations from the original concessionaire, BSL Management, Inc., to CF Clear Creek Arcis, LLC, which is now the active concessionaire responsible for managing Clear Creek Golf Course.

According to the Harris County Auditor's Office Accounts Receivable and Grants Accounting Department, Harris County has sixteen active concession agreements as of January 1, 2025, where the County receives a percentage of revenue or profit (refer to **Table 1** below). Note that the County also has other concession agreements that pay annual dues.

**Table 1: Harris County concession agreements, where the County receives a percentage of revenue or profit as of January 1, 2025**

Count	Type of Concession	Operating Revenue Payments to the County	Length of Contract
1	Golf Course 1	9% of Gross Receipts	50 years
2	Golf Course 2	8% of All Amounts Received for Greens Fees, Cart Rentals, Lessons, Revenue, Membership Dues, Range Fees, Club Rentals, Spectator Carts, Tournament Fees, Miscellaneous sale of golf related items. 1% of Items Sold in the Pro Shop and on the Property	40 years
3	Rowing Club	11% of Gross Receipts	10 years
4	Shooting Center	15% of Gross Rifle and Pistol Range Fees 5% of Gross Trap and Skeet Range Fees 5% of Gross Shooting Fee Charged in Instructional Courses 5% of Gross Sporting Clay Range Fees 2.5% of Gross Special Program Fees 5% of Gross Receipts from Sale of Food and Nonalcoholic Beverages 20% of Gross Receipts from Sale of Other Beverages	42 years
5	Fine Arts	2% of Gross Receipts	20 years
6	Vending Machine	17.2% of Net Sales	119 years
7	Restaurant Building	75% of Commission	10 years
8	Racetrack	\$0.15 per Admission Fee	Indefinitely; Governed by the Texas Racing Act
9	Ballpark 1	\$1,000 Annually, plus 23% Profit Sharing	5 years
10	Ballpark 2	\$1,000 Annually, plus 23% Profit Sharing	5 years
11	Ballpark 3	\$1,000 Annually, plus 23% Profit Sharing	5 years
12	Ballpark 4	\$1,000 Annually, plus 23% Profit Sharing	5 years
13	Ballpark 5	\$1,000 Annually, plus 23% Profit Sharing	5 years
14	Ballpark 6	\$1,000 Annually, plus 23% Profit Sharing	5 years
15	Ballpark 7	\$1,000 Annually, plus 23% Profit Sharing	5 years
16	Ballpark 8	\$2,000 Annually, plus 23% Profit Sharing	5 years



## ACCOUNTABILITY

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards). The Standards require that we comply with the Code of Ethics and obtain reasonable assurance that significant risks to the activity are minimized to an acceptable level.

As the engagement's scope did not include a detailed examination of all transactions, there is a risk that fraud, errors, or omissions were not detected during this engagement. The official, therefore, retains the responsibility for the accuracy and completeness of their financial records and for ensuring sufficient controls are in place to detect and prevent fraud, errors, or omissions.

