

**THE OHIO STATE UNIVERSITY CAMPUS PARTNERS FOR COMMUNITY URBAN  
REDEVELOPMENT**

**FRANKLIN COUNTY**

**JULY 1, 2014 TO JUNE 30, 2015  
AGREED UPON PROCEDURES**





# Dave Yost • Auditor of State

Board of Directors  
Campus Partners for Community Urban Redevelopment and Subsidiaries  
2040 Blankenship Hall  
Columbus, Ohio 43210

We have reviewed the *Report of Independent Accountants* agreed upon procedures of the Campus Partners for Community Urban Redevelopment and Subsidiaries, Franklin County, prepared by PricewaterhouseCoopers LLP, for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Campus Partners for Community Urban Redevelopment and Subsidiaries is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 2, 2016

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## Report of Independent Accountants

To The Ohio State University, and  
Campus Partners for Community Urban Redevelopment and Subsidiaries:

We have performed the procedures enumerated in Exhibit 1, which were agreed to by Campus Partners for Community Urban Redevelopment and Subsidiaries ("Campus Partners") and the administration of The Ohio State University (the "University"), (collectively, the "Specified Parties") solely to assist you in evaluating the appropriateness of certain accounting records related to rent and related expense activities maintained by Campus Partners for the year ended June 30, 2015. Campus Partners' management is responsible for the completeness and accuracy of the underlying accounting records related to these activities. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the appropriateness of accounting records related to rent and related expense activities of Campus Partners. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*

January 22, 2016



**Rent Roll**

1. We obtained the following reports from Campus Partners management: South Campus Gateway, LLC Retail monthly cash rent roll, MRI rent roll, and annual straight-line rent roll summary.
2. We footed and cross footed the subtotals and totals within the above referenced rent rolls and rent roll summary for mathematical accuracy. No exceptions were noted.
3. We compared and agreed the subtotals for Monthly Base Rent, Percentage Rent Income, Monthly Expense Recovery, Monthly Real Estate Tax Recovery, and Promotional Exp Reimb, per the monthly cash rent roll, to the Campus Partners June 30, 2015 general ledger. No exceptions were noted.
4. We haphazardly selected 10 leases from the monthly cash rent roll for testing. For each selection, performed the following:
  - a. We obtained the tenant's lease folder, which included the tenant's original executed lease agreement and any subsequent modifications / amendments. No exceptions were noted.
  - b. We observed whether or not the monthly cash rent roll specified charges for operating expense recoveries, real estate tax expense recoveries, promotional expense reimbursement, and percentage rent income. If the monthly cash rent roll specified such charges, we performed the following:
    - i. Reviewed the tenant's lease folder and determined (i.e., yes/no) whether or not the lease permits the recovery. No exceptions were noted as a result of performing this procedure.
    - ii. We compared and agreed the monthly charges for operating expense recoveries, real estate tax expense recoveries, and promotional expense reimbursement per the monthly cash rent roll to the MRI rent roll. No exceptions were noted.
  - c. For lease selections that contain base rent steps during the lease term, as identified within the lease folder, we performed the following:
    - i. We compared and agreed the "rent commencement date," "lease expiration date," and "suite square footage" as identified in the tenant's lease folder to the annual straight-line rent roll summary. No exceptions noted other than as identified below:
      1. Rent commencement date –
        - a. Lease Selection #8 – The lease was excluded from the annual straight-line rent roll summary; therefore we were not able to perform this procedure for this selection.
      2. Lease expiration date -
        - a. Lease Selection #5 – The annual straight-line rent roll summary did not reflect the most recent lease amendment. As a result, the tenant lease agreement stipulates a lease expiration date of 10/23/2020, while the annual straight-line rent roll summary stipulates a rent expiration date of 10/23/2015.
        - b. Lease Selection #8 - The lease was excluded from the annual straight-line rent roll summary; therefore we were not able to perform this procedure for this selection.



- c. Lease Selection #10 - The tenant lease agreement and the annual straight-line rent roll summary both stipulate a rent expiration date of 4/30/2017. However, the lease agreement defines an early termination clause in which the tenant can vacate after 4/30/2016 contingent on gross sales. The early termination clause was not identified within the annual straight-line rent roll summary.
  3. Suite square footage -
    - a. Lease Selection #8 - The lease was excluded from the annual straight-line rent roll summary; therefore we were not able to perform this procedure for this selection.
- ii. We compared and agreed the monthly 2015 base rent per the annual straight-line rent roll summary to the tenant's lease folder. When comparing current year base rent, we considered current year base rent steps, as applicable. No exceptions were noted other than the following;
  1. Lease Selection #6 – The annual straight-line rent roll summary did not reflect the base rent step date as reflected in the lease agreement. As a result, base rent reflected in the annual straight-line rent roll summary was understated by \$62 when compared to the lease agreement for the month of June 2015.
  2. Lease Selection #8 - The lease was excluded from the annual straight-line rent roll summary. As a result, we were not able to perform this procedure. A base rent of \$4,376 per month was identified per the lease agreement.
  3. Lease Selection #10 – The annual straight-line rent roll summary did not reflect the most recent lease amendment. As a result, the base rent reflected in the annual straight-line rent roll summary was overstated by \$1,800 per month when compared to the lease agreement for the months of May and June 2015.
- iii. We compared and agreed the contractual rent step date and step dollar amount (i.e. base rent increase) per the annual straight-line rent roll summary to the selection's lease folder. No exceptions noted other than the following;
  1. Lease Selection #6 – The lease agreement stipulates a rent step date of 6/11/2015, while the annual straight-line rent roll summary stipulates a rent step date of 1/1/2016.
  2. Lease Selection #8 – The lease was excluded from the annual straight-line rent roll summary. As a result, we were not able to perform this procedure. The lease agreement indicated a base rent step to \$4,590 per month on 1/9/2016.
  3. Lease Selection #10- The lease agreement outlines a base rent schedule, including rent steps, over a 37 month term. However, the rent commencement date and lease expiration date stipulated in the lease agreement and the annual straight-line rent roll summary suggest a 38 month term. Due to the inconsistency of the relevant month term within



the lease agreement, we were unable to perform this procedure for this selection.

- d. For lease selections in which base rent is flat during the lease term (i.e., no rent steps), as identified within the lease folder, we performed the following:
  - i. We compared and agreed the “rent commencement date,” “lease expiration date,” and “suite square footage” per the MRI rent roll to the tenant’s lease folder. No exceptions noted other than as identified below:
    1. Rent commencement date -
      - a. Lease Selection #3 – We were unable to obtain support within the tenant lease folder to validate the rent commencement date of 5/19/2011 as stipulated in the MRI rent roll. As a result, we were unable to perform this procedure for this selection.
    2. Lease expiration date -
      - a. Lease Selection #3 – The lease agreement defines the lease expiration date as five years after the rent commencement date. As described above, we were unable to obtain support within the tenant lease folder to validate the rent commencement date; therefore we could not determine the exact lease expiration date based on information contained within the tenant lease folder. As a result, we were unable to perform this procedure for this selection.
  - ii. We compared and agreed the monthly 2015 base rent, per the MRI rent roll to the tenant’s lease folder. No exceptions were noted other than the following:
    1. Lease Selection #4 – The monthly base rent as reflected within the MRI rent roll only included the exercised option period commencing on September 14, 2014 as defined in the most recent amendment. As a result, this procedure could not be performed for this selection for the months from July 1, 2014 to September 13, 2014.
5. We selected 25 instances of tenant monthly cash remittances from the monthly cash rent roll. For each selection, we performed the following:
  - a. We obtained a copy of the tenant's cleared rent check and remittance statement or monthly MRI statement.
  - b. We compared and agreed the check’s total to the remittance statement or monthly MRI statement. No exceptions were noted.
  - c. We compared and agreed the cash remitted for Monthly Base Rent, Percentage Rent Income, Monthly Expense Recovery, Monthly Real Estate Tax Recovery, and Promotional Exp Reimb, per the tenant's remittance statement or monthly MRI statement to the corresponding month per the monthly cash rent roll. No exceptions were noted.





**Expenses**

6. We obtained the June 30, 2015 consolidated Campus Partners trial balance.
7. We haphazardly selected ten general ledger accounts from the trial balance and obtained the accounts' supporting subledger from management and performed the following procedures:
  - a. We footed each selected subledger for mathematical accuracy of the totals and compared and agreed each subledger's June 30, 2015 total balance to the consolidated trial balance. No exceptions were noted.
  - b. From the selected subledgers, we haphazardly selected a total of 25 transactions and performed the following procedures:
    - i. We obtained the invoice or alternative supporting documentation for each selection.
    - ii. We compared and agreed the dollar amount per invoice or supporting documentation to what is reported in the sub-ledger. No exceptions were noted other than as identified below:
      1. Selection 11 related to a recurring expense in which \$600 of the total invoice was allocated from the South Campus Gateway Retail entity to the Gateway Theatre entity. We did not perform additional procedures related to the allocation between entities.
    - iii. We obtained copies of the cleared check and compared and agreed the dollar amount of the check to the invoice or alternative supporting documentation. No exceptions were noted.
    - iv. Based upon inspection of the invoice or alternative supporting documentation, we determined whether the transaction was appropriately expensed (i.e., the charge should have been capitalized in accordance with U.S. GAAP and was recognized in the appropriate period). No exceptions were noted other than the following;
      1. Selection #2 related to unbilled electric expense that management recorded in FY15; however \$4,371.60 of the recorded expense included utility services which the invoice indicated related to FY14.

**Third Party Real Estate Transactions**

8. We obtained from management, a listing of third party real estate transactions during the fiscal year ended June 30, 2015, in excess of \$250 thousand and performed the following procedures in relation to those transactions:
  - a. We obtained evidence of authorization by University management. No exceptions were noted.



- b. We compared and agreed the dollar amount of recorded transaction per the accounting records to related third party agreements. No exceptions were noted other than the following:
  - i. For one third party real estate transaction, we noted a variance of \$14 in the cash due from Campus Partners per the settlement statements and cash paid by Campus Partners per the bank statement.

**Debt**

9. We confirmed the dollar amount of debt owed by Campus Partners to The Ohio State University as of June 30, 2015 per the Campus Partners trial balance with the University Treasurer's office as of June 30, 2015. No exceptions were noted.
10. We noted that the Campus Partners trial balance did not include any third party debt owed by Campus Partners to other third parties as of June 30, 2015, therefore no additional confirmation procedures were performed.

**Revised Rent Roll – Additional procedures requested by management in response to exceptions noted in Procedure 4 above**

11. We obtained a revised annual straight-line rent roll summary from Campus Partners management.
12. For the 10 leases originally selected for testing in procedure 4, we performed the following:
  - a. We compared and agreed the "rent commencement date," "lease expiration date," and "suite square footage" as identified in the tenant's lease folder to the revised annual straight-line rent roll summary. No exceptions were noted.
  - b. We compared and agreed the monthly 2015 base rent per the revised annual straight-line rent roll summary to the tenant's lease folder. When comparing current year base rent, we considered current year base rent steps, as applicable. No exceptions were noted.
  - c. We compared and agreed the contractual rent step date and step dollar amount (i.e. base rent increase) per the revised annual straight-line rent roll summary to the selection's lease folder. No exceptions noted other than the following;
    - i. Lease Selection #10- The lease agreement and revised annual straight-line rent roll summary outlines a base rent schedule, including rent steps, over a 37 month term. However, the rent commencement date and lease expiration date stipulated in the lease agreement suggests a 38 month term. Due to the inconsistency of the relevant month term within the lease agreement, we were unable to perform this procedure for this selection.
13. We haphazardly selected 5 additional leases from the revised annual straight-line rent roll summary for testing. For each selection, performed the following:
  - a. We obtained the tenant's lease folder, which included the tenant's original executed lease agreement and any subsequent modifications / amendments. No exceptions were noted.



- b. We compared and agreed the “rent commencement date,” “lease expiration date,” and “suite square footage” as identified in the tenant’s lease folder to the revised annual straight-line rent roll summary. No exceptions were noted.
- c. We compared and agreed the monthly 2015 base rent per the revised annual straight-line rent roll summary to the tenant’s lease folder. When comparing current year base rent, we considered current year base rent steps, as applicable. No exceptions were noted.
- d. We compared and agreed the contractual rent step date and step dollar amount (i.e. base rent increase) per the revised annual straight-line rent roll summary to the selection’s lease folder. No exceptions were noted.

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# Dave Yost • Auditor of State

**THE OHIO STATE UNIVERSITY CAMPUS PARTNERS FOR COMMUNITY URBAN  
REDEVELOPMENT**

**FRANKLIN COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 16, 2016**