

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

FRANKLIN COUNTY

**JULY 1, 2013 TO JUNE 30, 2014
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, 2013 through June 30, 2014. 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

January 30, 2015

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Report of Independent Accountants

To The Ohio State University
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, 2014. 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.

 Encounter Now Cooper LLP

January 23, 2015

Number	Area Tested	Test Procedure(s)	Test Result(s)
	Rent Roll		
1.		Obtain the monthly South Campus Gateway, LLC Retail and Office rent rolls, as well as the annual rent roll summary.	Obtained South Campus Gateway, LLC Retail rent roll and annual rent roll summary. Note that for FY 2014, the Office rent and expense activities are no longer included as a part of the Campus Partners entity.
2.		Mathematically recalculate the information presented within the above referenced rent rolls and rent roll summary.	No exceptions were noted as a result of performing this procedure.
3.		For each month's rent roll, compare and agree the month's summary totals (as presented on the monthly rent rolls) for Monthly Base Rent, Percentage Rent Income, Monthly Expense Recovery, Monthly Real Estate Tax Recovery, and Promotional Exp Reimb to the annual rent roll summary.	No exceptions were noted as a result of performing this procedure.
4.		Compare and agree the monthly summary totals for Monthly Base Rent, Percentage Rent Income, Monthly Expense Recovery, Monthly Real Estate Tax Recovery, and Promotional Exp Reimb, per the annual rent roll summary, to the June 30, 2014 general ledger.	No exceptions were noted as a result of performing this procedure.
5.		Haphazardly select 10 leases from the annual rent roll summary for testing. For each selection, perform the following:	We selected the following 10 retail leases for further procedures:
5. a)		Obtain the tenant's lease folder, which includes the tenant's original executed lease agreement and any subsequent modifications / amendments	No exceptions were noted as a result of performing this procedure.
5. b)		Compare and agree the following rent roll attributes per the monthly summary to the tenant's lease folder:	Utilizing the leases selected in procedure 5. above, we compared the following rent roll attributes to the tenant's lease folder. Refer below for results of these procedures.

Number	Area Tested	Test Procedure(s)	Test Result(s)
5. b) i.		Rent commencement date	<p>No exceptions noted other than the following variance;</p> <p>(1) Lease Selection #3 - The agreement stipulates a rent commencement date of 12/19/2012, while the rent rollforward stipulates a rent commencement date of 6/30/2007.</p>
5. b) ii		Lease expiration date	<p>No exceptions noted other than the following variances;</p> <p>(1) Lease Selection #3 - The agreement stipulates a rent expiration date of 12/18/2017, while the rent rollforward stipulates a rent expiration date of 6/29/2012.</p> <p>(2) Lease Selection #9 - The agreement stipulates a rent expiration date of 8/31/2020, while the rent rollforward stipulates a rent expiration date of 9/7/2015.</p>
5. b) iii		Suite square footage	<p>No exceptions were noted as a result of performing this procedure.</p>
5. c)		<p>Compare and agree 2014 base rent, per the rent roll, to the in-place base rent contractually defined in the tenant's lease folder. In determining the current year base rent per the contract, take into account any current year base rent steps, as applicable.</p>	<p>No exceptions noted other than the following variances;</p> <p>(1) Lease Selection #3, rent roll did not reflect the most recent lease. As a result, the base rent reflected in the rent roll (inclusive of base rent, operating expense recovery, and real estate tax recovery) was understated by \$2,900 per month for the entire 12 month period ended June 30, 2014.</p> <p>(2) Lease Selection #7, rent roll did not reflect the most recent lease amendment for the period January 2014 – June 2014. As a result, the base rent reflected in the rent roll (inclusive of base rent, operating expense recovery and real estate tax recovery), was understated by \$3,320 for the month of January and \$5,534 per month for the remaining 5 months during the year ended June 30, 2014</p> <p>(3) Lease Selection #8, rent roll did not reflect the rate reduction which was part of the most recent lease amendment for</p>

Number	Area Tested	Test Procedure(s)	Test Result(s)
			<p>the period August 2012 – December 2013. As a result, the base rent reflected in the rent roll (inclusive of base rent, operating expense recovery and real estate tax recovery) was overstated by \$2,744 per month for the first 6 months of the period ended June 30, 2014.</p> <p>(4) Lease Selection #9, rent roll did not include the most recent 3 lease amendments. As a result, the base rent reflected in the rent roll (inclusive of base rent, operating expense recovery and real estate tax recovery) was overstated by \$3,218 per month for the entire 12 months in the year ended June 30, 2014.</p>
5. d)		<p>The rent roll specifies annual charges for expense recoveries, real estate tax expense recoveries, promotional expense, and percentage rent income. To the extent the rent roll includes the aforementioned charges for a testing selection, review the tenant's lease folder and determine (i.e., yes/no) whether or not the lease permits the recovery.</p>	<p>No exceptions were noted as a result of performing this procedure.</p>
5. e)		<p>The rent roll specifies the next contractual rent step date and amount (i.e., base rent increase). Compare and agree the rent step date and step amount per the rent roll to the selection's lease folder.</p>	<p>No exceptions noted as a result of performing this procedure other than as mentioned in 5. c) above. For lease selection #9, the lease folder contained amendments which included rent steps that were not reflected in the rent roll.</p>
6.		<p>Select 25 instances of tenant monthly cash remittances. For each testing selection, perform the following:</p>	<p>We selected 25 monthly cash remittances for our sample population.</p>
6. a)		<p>Obtain a copy of the tenant's cleared rent check and remittance statement or monthly MRI statement, as applicable, or obtain other supporting documentation from management to evidence why no cash for the particular selection was remitted.</p>	<p>We obtained the applicable information for the sample population.</p>
6. b)		<p>Compare and agree the check's total to the remittance statement or monthly MRI</p>	<p>No exceptions were noted as a result of</p>

Number	Area Tested	Test Procedure(s)	Test Result(s)
		statement, as applicable, or compare other supporting documentation obtained from management to evidence why no cash was remitted as part of the selected transaction.	performing this procedure.
6. c)		Compare and agree cash remitted, to the extent applicable, for Monthly Base Rent, Percentage Rent Income, Monthly Expense Recovery, Monthly Real Estate Tax Recovery, and Promotional Exp Reimb, per the tenant's statement to the corresponding month's rent roll.	No exceptions were noted as a result of performing this procedure.
7.	Not Used		
	Expense Testing		
8.		Obtain the June 30, 2014 consolidated Campus Partners trial balance.	We obtained the June 30, 2014 consolidated Campus Partners trial balance.
9.		Haphazardly select ten general ledger accounts and request the accounts' supporting sub-ledger.	We selected ten general ledger accounts and obtained the supporting subledger.
10.		Mathematically recalculate each selected sub-ledger and compare and agree each sub-ledger's June 30, 2014 balance to the consolidated trial balance, note any differences.	No exceptions were noted as a result of performing this procedure.
11.		From the selected sub-ledgers, haphazardly select a total of 25 invoices. Include at least one selection from each month in fiscal year 2014 and obtain the invoice and other relevant support schedules from management.	We selected 25 invoices, or expense transactions, including at least one selection from each month in the fiscal year 2014. We obtained the invoice or alternative supporting documentation for each selection.
12.		For each invoice selected, perform the following:	Utilizing the 25 selections from procedure d. above, we performed the following tests. Refer below for results of these procedures.
12. a)		Compare and agree the invoice number, invoice date, and dollar amount per the invoice to what is reported in the sub-	We compared the dollar amount per invoice to what is reported in the sub-ledger without exception. Note that the

Number	Area Tested	Test Procedure(s)	Test Result(s)
		ledger. Note any differences.	sub-ledger did not include invoice number nor invoice date; therefore that aspect of this procedure could not be completed.
12. b)		Obtain a copy of the cleared check settling the invoice. Compare and agree the dollar amount of the check to the invoice. Note any differences.	<p>We obtained copies of the cleared check for the sample above and no exceptions were noted as a result of performing this procedure; however. we noted the following:</p> <p>(1) Selection 18 related to the monthly amortization of a particular service that was pre-paid and amortized over a specified period. Management has amortized these charges over a 12 month period however we were unable to obtain support from management to validate 12 months as the service period of these charges. We make no comment over the appropriateness of amortization of these expenses.</p>
12. c)		Based upon inspection of the invoice and the nature of the expense as reflected on the invoice and other relevant supporting schedules provided by management, confirm if the expense is properly expensed in fiscal year 2014 in accordance with U.S. GAAP.	<p>No exceptions were noted as a result of performing this procedure, however we noted the following:</p> <p>(1) Selection 18 related to the monthly amortization of a particular service that was pre-paid and amortized over a specified period. Management has amortized these charges over a 12 month period however we were unable to obtain support to validate 12 months as the service period of these charges. We make no comment over the appropriateness of the amortization of these expenses.</p>
	Third Party Real Estate Transactions		
1.		For third party real estate transactions in excess of \$1 million during the fiscal year ended June 30, 2014, obtain evidence of appropriate authorization by University management.	We obtained the appropriate authorization by University management for third party real estate transactions in excess of \$1 million. No exceptions were noted as a result of performing this procedure.
2.		Compare and agree the amount of	No exceptions were noted as a result of

Number	Area Tested	Test Procedure(s)	Test Result(s)
		recorded transaction per the accounting records to related third party agreements.	performing this procedure.
	Debt		
1.		Confirm debt owed by Campus Partners with the University as of June 30, 2014.	We confirmed debt owed by Campus Partners as of June 30, 2014 with the University and noted a difference between what is recorded on the Campus Partners trial balance and what was confirmed by the University of \$614,198.
2.		Confirm any third party debt owed by Campus Partners with the third party as of June 30, 2014.	Note that the trial balance did not include any third party debt owed by Campus Partners as of June 30, 2014 therefore this procedure was not performed.

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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 12, 2015**