

CAMPUS PARTNERS FOR COMMUNITY URBAN REDEVELOPMENT

FRANKLIN COUNTY

**JULY 1, 2012 TO JUNE 30, 2013
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, 2012 through June 30, 2013. 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 28, 2014

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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 the administration of The Ohio State University (the "University"), solely to assist you in evaluating the appropriateness of certain rent and related expense activities of Campus Partners for Community Urban Redevelopment and Subsidiaries ("Campus Partners") for the year ended June 30, 2013. Campus Partners' management is responsible for the rent rolls and recognition of all expense transactions. 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 recording of rent and expense related 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 31, 2014



**THE OHIO STATE UNIVERSITY
CAMPUS PARTNERS
REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON
RENT ROLLS AND EXPENSE TESTING
For the Year Ended June 30, 2013**

Exhibit 1

Number	Area Tested	Test Procedure(s)	Test Result(s)
Rent Roll			
a.		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 and Office rent rolls and annual rent roll summary. No exceptions were noted.
b.		Foot and cross foot each schedule for mathematical accuracy.	No exceptions were noted as a result of performing this procedure.
c.		For each month's rent roll, agree the month's summary totals 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.
d.		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, 2013 general ledger.	<p>PwC noted the following variances;</p> <p>(1). The summation of monthly base rent and percentage rent for retail tenants did not agree with rental income per the General Ledger (account #4000-200). The total variance (\$68,704.04), according to management, was due to a consolidation entry of \$74,963, offset by storage income of \$6,258.96. We make no comment regarding management's response.</p> <p>(2). The summation of Monthly Expense Recovery, Monthly Real Estate Tax Recovery, and Promotion Expense Reimbursement varied from recovery of operating expenses per the General Ledger (account #4100-</p>



**THE OHIO STATE UNIVERSITY
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RENT ROLLS AND EXPENSE TESTING
For the Year Ended June 30, 2013**

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Number	Area Tested	Test Procedure(s)	Test Result(s)
			000). The total variance (-\$313,975), according to management, was due to residential expense recoveries (-\$564,871), an adjustment for SCGPark (-\$24,999.76), and an unexplained variance (-\$75.76), offset by consolidation entries (\$275,820). We make no comment regarding management's response.
e.		Haphazardly select 10 leases for testing. For each selection, perform the following:	We selected ten total leases for our sample population, 5 office leases and 5 retail leases.
e. i.)		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.
e. ii)		Trace and agree the following rent roll attributes to the tenant's lease folder:	Utilizing the leases selected in procedure e. above, we traced and agreed the following rent roll attributes to the tenant's lease folder. Refer below for results of these procedures.
e. ii) a.		Rent commencement date	PwC noted the following variance; Lease Selection #1 - The agreement stipulates a rent commencement date of 2/20/2006, while the rent rollforward stipulates a rent commencement date of 2/24/2006.
e. ii) b.		Lease expiration date	PwC noted the following variance; Lease Selection #1 - The agreement stipulates a rent expiration date of 2/19/2016, while the rent rollforward



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Number	Area Tested	Test Procedure(s)	Test Result(s)
			stipulates a rent expiration date of 2/23/2016.
e. ii) c.		Suite square footage	PwC noted the following variance; PwC performed this procedure in aggregate for the OSU Legal Affairs, OSU Office of Treasury, OSU Business & Finance, and OSU CIO Departments (as all four of these departments are governed by one lease agreement). The lease agreement stipulated a total square footage of 21,048, whereas the rent rollforward states total square footage of 21,047.
e. ii) d.		Agree 2013 base rent, per the rent roll, to the in-place base rent contractually defined in the tenant's lease folder. In recalculating current year base rent, take into account any current year base rent steps, as applicable.	PwC noted the following variances; (a) Lease Selection #3, the rental agreement stipulated a base rent of \$5,031.00 per month (which is inclusive of base rent, operating expense recovery, and real estate tax recovery). Per review of the monthly rent roll for December 2012 and January 2013, these charges were completely omitted for Lease Selection #3. (b) OSU Office of Human Resources - The tenant agreement stipulated 2013 based rent dependent on CPI rent escalation adjustments. PwC independently calculated an expected CPI adjustment applicable for 2013, noting a monthly variance of \$8.37 compared to rent per the rent



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Number	Area Tested	Test Procedure(s)	Test Result(s)
			rollforward. (c) OSU Legal Affairs, OSU Office of Treasury, OSU Business & Finance, and OSU CIO - similar to the OSU Office of Human Resources, 2013 base rent was inclusive of rent escalation clause dependent on CPI adjustments. PwC independently calculated an expected CPI adjustment applicable for 2013, noting a monthly variance of \$3.51 compared to rent per the rent rollforward.
e. iii)		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.	No exceptions were noted as a result of performing this procedure.
e. iv)		The rent roll specifies the next contractual rent step date and amount (i.e., base rent increase). Agree the rent step date and step amount to the selection's lease folder.	No exceptions were noted as a result of performing this procedure.
f.		Select 25 instances of tenant monthly cash remittances. For each testing selection, perform the following:	We selected 25 monthly cash remittances for our sample population.
f. i.)		Obtain a copy of the tenant's cleared rent check and remittance statement or	No exceptions were noted as a result of performing this procedure.



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Number	Area Tested	Test Procedure(s)	Test Result(s)
		monthly MRI statement	
f. ii.)		Agree the check's total to the remittance statement or monthly MRI statement	No exceptions were noted as a result of performing this procedure.
f. iii.)		Compare 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 statement to the corresponding month's rent roll.	No exceptions were noted as a result of performing this procedure.
	Expense Testing		
a.		Obtain the June 30, 2013 consolidated Campus Partners trial balance	We obtained the June 30, 2013 consolidated Campus Partners trial balance.
b.		Haphazardly select ten general ledger accounts and request the accounts' supporting subledger.	We selected ten general ledger accounts and obtained the supporting subledger.
c.		Foot each subledger for mathematical accuracy and trace and agree each subledger's June 30, 2013 balance to the consolidated trial balance, note any differences.	No exceptions were noted as a result of performing this procedure.
d.		From the subledgers, haphazardly select a total of 25 invoices. Include at least one selection from each month in fiscal year 2013; obtain the supporting invoice.	We selected 25 invoices, or expense transactions, including at least one selection from each month in the fiscal year 2013. We obtained the invoice or alternative supporting documentation



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Number	Area Tested	Test Procedure(s)	Test Result(s)
			for each selection.
e.		For each selection, perform the following:	Utilizing the 25 selections from procedure d. above, we performed the following tests. Refer below for results of these procedures.
e. i.)		Agree the invoice number, invoice date, and dollar amount to the selection, as reported in the subledger. Note any differences.	No exceptions were noted as a result of performing this procedure. Note that the subledger did not include invoice number nor invoice date, therefore these procedures could not be completed.
e. ii.)		Obtain a copy of the cleared check settling the invoice. Agree the dollar amount of the check to the invoice. Note any differences.	PwC noted the following exceptions; (1). Charges relating to monthly ground lease expenses were not supportable by current period payments. As such, no payment support was reviewed.
e. iii.)		Based upon inspection of the invoice, determine whether the invoice was appropriately expensed (i.e., the charge should have been capitalized in accordance with GAAP).	No exceptions were noted as a result of performing this procedure. All selections were appropriately expensed.
e. iv.)		Based upon inspection of the invoice, determine whether the invoice was for a valid business purpose.	No exceptions were noted as a result of performing this procedure. All selections were for a valid business purpose.

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Dave Yost • Auditor of State

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
MARCH 13, 2014**