

**ABC CARD SHOPS, INC.**

**d.b.a. ABC CARD SHOP #912**

**MAJOR SHOPPING CENTER**

**ST. LOUIS, MO**

**TENANT SALES AUDIT REPORT**

for the twelve (12) months

ended December 31, 2001

## TENANT SALES AUDIT REPORT

Tenant: ABC Card Shops, Inc.  
Trade Name: ABC Card Shop  
Shopping Center: Major Shopping Center  
City / State: St. Louis, MO  
Period: The twelve (12) months  
ended December 31, 2001

### Client

Company: Major Realty, LLC  
Person: Ms. Jane Jones, General Manager  
Address: 123 Main Street  
City / State: Phoenix, AZ 55555  
Date of Examination: April 14, 2002  
Date of Report: April 16, 2002

**Compu/Audit, Inc.**  
**6320 west 85th Place, Suite 102**  
**Los Angeles, Ca. 90045**  
**1 - 800 - WE AUDIT**

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## Section 1

### Executive Overview

Tenant: ABC Card Shops, Inc.  
Shopping Center: Major Shopping Center  
City: New York, NY  
Report Date: April 16, 2002  
Landlord: Major Realty, LLC  
Management: Major Property Management Co.

1. Audit Period: From January 1, 2001 to December 31, 2001
2. Examination Location: Denver, CO
3. Date of Examination: April 14, 2002

4. Total Unreported Sales.....	<u>\$ 93,802</u>
5. Unreported Sales in Percentage Rent.....	<u>93,802</u>
6. Percentage Rent Due Landlord.....	<u>5,585</u>
7. Interest Due Landlord .....	<u>754</u>
8. Examination Fee Due Landlord.....	<u>750</u>
9. Grand Total.....	<u><u>\$ 7,089</u></u>

10. Tenant's response to findings:  
Tenant did not respond to findings.
11. Sales records requested but not provided:  
Sales discount and other sales exclusion information.
12. Tenant's compliance with Reporting Requirements:  
Tenant does not comply with Reporting Requirements.

## **Section 1**

### **Executive Overview** (continued)

#### **Comments**

Books and records were adequate. Provided the tenant keeps proper evidence thereof, the tenant is entitled to a sales exclusion for bad debts, postage stamps sold at cost, and sales to employees where employees have been granted at least a 20% discount as well as seasonal close-outs on half-price merchandise. Store sales are apparently reported and recorded net of the foregoing discounts. Store cash and daily net sales are subject to a thorough review in order to reconcile net sales and cash received. The point of sale accounting system controls both sales (net of discounts) and merchandise inventory. The tenant receives no vendor subsidies or rebates. However, there was no audit trail - with the exception of postage stamps - which would have permitted the examiner to verify the accuracy of the various sales exclusions claimed by the tenant. The tenant's representative was unable to provide the necessary audit data.

## Section 2

### A

#### Additional Percentage Rent Due

	Lease Year Ended 12/31/01
Reported Sales	<u>\$ 1,538,638</u>
Findings:	
1. <u>Undocumented sales exclusions</u>	<u>93,802</u>
Total Findings	<u>93,802</u>
Subject Sales	1,632,440
Break Point	<u>1,302,375</u>
Percentage Rent Application	330,065
	%
	<u>6</u>
Amount of Percentage Rent Due	19,804
Paid Previously	<u>14,219</u>
Percentage Rent Balance Due	<u>5,585</u>

#### Summary

Additional Percentage Rent Due	\$5,585
Interest Due Landlord	754
Examination Fee Due	750
Total Due Landlord	<u><u>\$7,089</u></u>

For Additional information, please contact Compu/Audit, Inc. at

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<http://www.compuaudit.com>