

**ABC DINING & DANCING, INC.**  
**d.b.a. ABC DINING & DANCING**  
**MAJOR SHOPPING CENTER**  
**MIAMI, FL**  
**TENANT SALES AUDIT REPORT**  
for the twenty-four (24) months  
ended December 31, 2001

## TENANT SALES AUDIT REPORT

Tenant:	<u>ABC Dining &amp; Dancing, Inc.</u>
Trade Name:	<u>ABC Dining &amp; Dancing</u>
Shopping Center:	<u>Major Shopping Center</u>
City / State:	<u>Miami, FL</u>
Period:	<u>The twenty-four (24) months</u> <u>ended December 31, 2001</u>

### Client

Company:	<u>Major Realty, LLC</u>
Person:	<u>Mr. Bill Smith, General Manager</u>
Address:	<u>123 Main Street</u>
City / State:	<u>Phoenix, AZ 55555</u>
Date of Examination:	<u>April 14, 2002</u>
Date of Report:	<u>April 16, 2002</u>

**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 Dining & Dancing, Inc.  
Shopping Center: Major Shopping Center  
City: Miami, FL  
Report Date: April 16, 2002  
Landlord: Major Realty, LLC  
Management: Major Property Management Co.

1. Audit Period: From January 1, 2000 to December 31, 2001
2. Examination Location: Miami, FL
3. Date of Examination: April 14, 2002

4. Total Unreported Sales.....	<u>\$ 245,623</u>
5. Unreported Sales in Percentage Rent.....	<u>129,744</u>
6. Percentage Rent Due Landlord.....	<u>13,454</u>
7. Interest Due Landlord.....	<u>0</u>
8. Examination Fee Due Landlord.....	<u>750</u>
9. Grand Total.....	<u>\$ 14,204</u>

10. Tenant's response to findings:  
Tenant agrees with findings.
11. Sales records requested but not provided:  
Bank statements, 2000 general ledger May to December.
12. Tenant's compliance with Reporting Requirements:  
Tenant does not comply with Reporting Requirements.

## **Section 1**

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

#### **Comments**

The books and records were of poor quality, but the tenant representative was helpful and cooperative. There are a number of ancillary revenue sources which are either poorly accounted for, or are not accounted for at all. Examples of this accounting problem are cigarette sales, mechanical vending (including pool tables), electronic vending machines, telephones, sale of flowers, and shoe shines. The primary sales data is audited internally. In 2000, the tenant recorded a loss of \$295 after paying \$63,800 in management fees. In 2001, the tenant earned \$21,182 with no management fees being paid.

**Section 2**

**A**

**Additional Percentage Rent Due**

	Lease Year Ended 12/31/01	Lease Year Ended 12/31/00
Reported Sales	\$ 1,852,446	\$ 2,068,436
Findings:		
1. <u>Sales Tax Included in Sales</u>	(108,968)	(121,673)
2. <u>Employee Tips</u>	174,348	194,676
3. <u>Cigarettes</u>	8,915	10,017
4. <u>Mechanical vending</u>	6,875	7,725
5. <u>Arithmetic difference</u>	34,709	38,999
Total Findings	115,879	129,744
Subject Sales	1,968,325	2,198,180
Break Point	2,030,000	2,030,000
Percentage Rent Application	0	168,180
	%	%
	8	8
Amount of Percentage Rent	0	13,454
Paid Previously	0	0
Percentage Rent Balance Due	0	13,454

**Summary**

Additional Percentage Rent Due	13,454
Examination Fee Due	750
Total Due Landlord	<u>\$ 14,204</u>

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

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