

**ABC KIOSKS, INC.**  
**d.b.a. ABC KIOSK**  
**MAJOR SHOPPING CENTER**  
**CHICAGO, IL**  
**TENANT SALES AUDIT REPORT**  
for the twenty-seven and one-half ( $27\frac{1}{2}$ ) months  
ended December 31, 2001

## TENANT SALES AUDIT REPORT

Tenant: ABC Kiosks, Inc.  
Trade Name: ABC Kiosk  
Shopping Center: Major Shopping Center  
City / State: Chicago, IL  
Period: The twenty-seven and one-half (27<sup>1/2</sup>)  
months ended December 31, 2001

### Client

Company: Major Realty, LLC  
Person: Mr. Bill Smith, General Manager  
Address: 123 Main Street  
City / State: Columbus, OH 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 Kiosks, Inc.  
Shopping Center: Major Shopping Center  
City: Chicago, IL  
Report Date: April 16, 2002  
Landlord: Major Realty, LLC  
Management: Major Property Management Co.

1. Audit Period: From September 15, 1999 to December 31, 2001
2. Examination Location: Chicago, IL
3. Date of Examination: April 14, 2002

4. Total Unreported Sales.....	\$ 0
5. Unreported Sales in Percentage Rent.....	<u>0</u>
6. Percentage Rent Due Landlord.....	<u>15,209</u>
7. Interest Due Landlord .....	<u>5,019</u>
8. Examination Fee Due Landlord.....	<u>0</u>
9. Grand Total.....	<u><u>\$ 20,228</u></u>

10. Tenant's response to findings:  
Tenant agrees with findings.
11. Sales records requested but not provided:  
None.
12. Tenant's compliance with Reporting Requirements:  
Tenant does not comply with Reporting Requirements as the percentage rent calculation is incorrect.

## **Section 1**

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

#### **Comments**

Books and records were in excellent order, and the tenant was helpful and cooperative. The only sales exclusion claimed by the tenant was for employee sales. Store employees receive a 30% discount. Under the terms of the lease, the employee sales discount must exceed 20%, which it does. Discounted employee sales do not exceed the 2% gross sales limit of the lease. The tenant maintains a jewelry club open to the general public for frequent customers, who receive sales discounts. Tenant sales are properly recorded and reported net of jewelry club discounts. Credit card discounts are properly reported as an operating expense. Sales of this 1500 store chain receive a thorough internal audit. There are no catalog sales. The tenant miscalculated the 2000 lease year (15 1/2 months) percentage rent and resultant percentage rent due.

**Section 2**

**A**

**Additional Percentage Rent Due**

	Lease Year Ended 12/31/01	15 <sup>1</sup> / <sub>2</sub> Month Lease Period Ended 12/31/00
Reported Sales	\$ 376,216	\$ 542,721
Findings:		
1. <u>None</u>		
Total Findings	0	0
Subject Sales	376,216	542,721
Break Point	222,752	222,752
Percentage Rent Application	153,464	319,969
	%	%
	10	10
Amount of Percentage Rent	15,346	31,997
Paid Previously	15,346	16,788
Percentage Rent Balance	0	15,209

**Summary**

Percentage Rent Due Landlord	\$ 15,209
Interest Due Landlord	5,019
Grand Total Due	<u>\$ 20,228</u>

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

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