

# OHIO AUDITOR OF STATE KEITH FABER



January 20, 2022

To the people of the State of Ohio:

In an effort to enhance transparency and provide greater public insight into JobsOhio's operations, the Ohio General Assembly passed legislation requiring JobsOhio to work with the Auditor of State to select an independent private audit firm who would conduct a compliance and control review that would be shared with the public. This report is the culmination of those efforts. We thank JobsOhio for their cooperation during this process and to the independent audit firm for working with the Auditor of State's Office to complete a meaningful review of JobsOhio operations.

By way of background, JobsOhio is a 501(c)(4) non-profit corporation designed to promote and drive economic development through job creation and new capital investment in Ohio through business attraction, retention and expansion efforts.

As mentioned above, the General Assembly requires that JobsOhio's work with the Auditor of State to select a private independent auditor to perform an engagement reviewing compliance with relevant statutes and internal controls for JobsOhio.

Ohio Revised Code section 187.01(J) provides in relevant part that:

The articles shall require that the audit committee hire a firm of independent certified public accountants, selected in consultation with the auditor of state, to perform, once each year, a financial audit of the corporation and of any nonprofit entity the sole member of which is JobsOhio. The articles also shall require all of the following:

- (1) Commencing with JobsOhio's fiscal year beginning July 1, 2012, the financial statements to be audited are to be prepared in accordance with accounting principles and standards set forth in all applicable pronouncements of the governmental accounting standards board;
- (2) The firm of independent certified public accountants hired is to conduct a supplemental compliance and control review pursuant to a written agreement by and among the firm, the auditor of state, JobsOhio, and any nonprofit entity the sole member of which is JobsOhio; and
- (3) A copy of each financial audit report and each report of the results of the compliance and control review are to be provided to the governor, the auditor of state, the speaker of the house of representatives, and the president of the senate.

This report is the fulfillment of those statutory obligations for the fiscal year ended June 30, 2021. The Auditor of State did not examine the records or books of JobsOhio and did not conduct any interviews. Our role was solely to suggest what work should be performed, and to review the work once it was performed. The work, and this report, are the product of the private auditor, Deloitte & Touche LLP.

Accordingly, we express no professional opinion regarding it or the operations and finances of JobsOhio.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors and Management  
JobsOhio and JobsOhio Beverage System  
Columbus, Ohio

We have performed the procedures enumerated in Exhibit A (attached) to assist in the evaluation of the Entity's compliance with certain requirements including Chapter 187 of the Ohio Revised Code (collectively referred to as Compliance Matters) for the year ended June 30, 2021. The Entity is responsible for the compliance with those requirements.

JobsOhio and the Ohio Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the specified parties in evaluating the Compliance Matters.

We make no representation regarding the appropriateness of the procedures either for the purpose for which our report has been requested or for any other purpose. Accordingly, this report may not be suitable for either the purpose of which this report has been requested or for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the accompanying Exhibit A.

We were engaged by JobsOhio and the Ohio Auditor of State to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on Compliance Matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of JobsOhio and the Ohio Auditor of State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Entity's management, the Board of Directors of the Entity and the Auditor of State of Ohio, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Deloitte & Touche LLP*

December 17, 2021

## **AGREED-UPON PROCEDURES FOR COMPLIANCE MATTERS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

### **JobsOhio**

#### ***Procedure 1***

Obtain from management a list of JobsOhio credit cardholders and the credit card statements for four months selected randomly during fiscal year 2021. Inquire of management and inspect documentation that credit card transactions were reviewed on a monthly basis by the appropriate person, as identified on management's list of authorized approvers. Obtain an employee expense report and the supporting documentation completed by the cardholder for each of the selected months. Ascertain whether or not an authorized approver approved each selected employee expense report and compare and agree the amounts to the credit card statement.

#### ***Results***

JobsOhio has 1 credit card account with separate cards issued to each of the multiple users and 1 credit card statement is received each month, which lists all transactions. JobsOhio's Chief Financial Officer (CFO) or a designated member of the accounting team downloads the credit card statement each month from the bank website and forwards each cardholder's individual statement to the cardholder. The cardholder then prepares an expense report and provides receipts, which is sent to an authorized approver for review. JobsOhio's CFO or a designated member of the accounting team then reviews each report to ensure that each transaction on the credit card statement agrees without exception to an approved entry on an expense report.

We obtained 1 employee expense report for each of the randomly selected 4 months (September 2020, December 2020, February 2021 and June 2021) during fiscal year 2021 along with supporting receipts. We compared and agreed each of the items claimed on the employee expense report to the corresponding credit card statement. All credit card statements agree to the employee expense reports without note. All employee expense reports were approved by an authorized approver, who was listed on the authorized approvers list provided by management. No exceptions were found as a result of applying the procedure.

#### ***Procedure 2***

ORC 187.01(F)(2) - Inquire of management if an employee compensation plan was approved by the JobsOhio Board of Directors ("Board") and obtain a copy of minutes of the Board documenting such approval. If such plan was approved, randomly select a sample of 10 employees from the payroll register for the last payroll paid in June 2021 and compare the employee's gross earnings to the approval by the President and Chief Investment Officer (CIO) in accordance with the plan, by reference to the employee's offer letter or other wage documentation.

#### ***Results***

We inquired of management and were informed that an employee compensation plan was approved by the Board on December 17, 2020. We inspected meeting minutes for the executive session of the Board, which evidenced such approval. The compensation plan requires the Board to approve the compensation for executives and management to approve the compensation for all other employees. We randomly selected a sample of 10 employees from the June 25, 2021 payroll register, which was the last payroll pay date of the fiscal year. For the ten sampled employees, we obtained the employee's respective offer letter, adjustment authorization form, or promotion letter, if applicable, and observed the compensation amount was approved by the President and CIO for each of the 10 selected employees. We multiplied the employees' listed payroll register amount by 26 to calculate the total annual compensation amount. We then compared and agreed the annual recalculated compensation amount to the approved amount for all 10 employees selected. No exceptions were found as a result of applying the procedure.

### **Procedure 3**

ORC 187.01(F)(5) - Inspect the minutes of the Board and list the date the strategic plan was established by the Board for calendar year 2021.

#### *Results*

We inspected the minutes of the Board and confirmed that the strategic plan for calendar year 2021 was established on February 24, 2021. No exceptions were found as a result of applying the procedure.

### **Procedure 4**

ORC 187.01(F)(4) - Obtain a list of all major contracts from management (as defined by the JobsOhio Board) for services recommended by the President and CIO. Compare such contracts with the minutes of the Board to ascertain whether or not the Board approved these contracts.

#### *Results – Exception Identified*

We obtained the list of major contracts from management (as defined by the JobsOhio Board) for services recommended by the President and CIO. The 3 listed contracts were compared to minutes of the Board and we confirmed Board approval for 2 of the contracts. The remaining contract was approved by the Executive Committee of the JobsOhio Board, but not the full Board.

### **Procedure 5**

ORC 187.01(G) - Obtain from management a listing of disbursements, and the corresponding documentation, made to Board members in fiscal year 2021. Inspect the corresponding documentation to ascertain whether or not the disbursements were for travel, lodging, meals, or supplies. If the disbursement was not for travel, lodging, meals, or supplies, then inspect documentation and inquire of management to ascertain if the disbursement was for compensation. List any disbursements to Board members that were for compensation.

#### *Results*

We obtained a listing of disbursements made to the Board members in fiscal year 2021. Based upon inspection of the listing, no reimbursements were made in this fiscal year and no further action was required. No exceptions were found as a result of applying the procedure.

### **Procedure 6**

Obtain the Board minutes and through inspection of the minutes ascertain whether or not there were any new Board members appointed in fiscal year 2021. If so, inspect documentation obtained by management and obtain a management's representation indicating the new Board member had the qualifications required by ORC 187.02.

#### *Results*

We obtained the Board minutes for fiscal year 2021 and observed 1 new appointment. We obtained a management representation letter indicating that the individual appointed to the Board of Directors had the qualifications required by ORC 187.02. No exceptions were found as a result of applying the procedure.

### **Procedure 7**

Obtain the listing from JobsOhio of all individuals who were required to file a financial disclosure statement with the Ohio Ethics Commission (OEC) according to ORC 187.03(B)(2). For each of the individuals who were required to file a confidential statement, obtain from management the file-stamped cover page for the financial disclosure statement and compare to the date such statement was filed. Identify the number of statements not filed on or before May 17, 2021.

## *Results*

We obtained the listing from management of all individuals who were required to file a financial disclosure statement with the Ohio Ethics Commission (OEC) according to ORC 187.03(B)(2). The required filing date for JobsOhio was May 17, 2021. There was 1 financial disclosure statement not filed on or before the May 17, 2021 deadline for an individual hired during fiscal year 2021. However, per the OEC requirements, this individual did file the financial disclosure statement within the required 90 days from the start date of the triggering event. There was also 1 financial disclosure statement not filed on or before May 17, 2021 for an individual who was not hired or promoted during fiscal year 2021, but rather obtained a direct report employee, which triggered the filing. This individual filed within the required 90 days from the triggering event. We obtained the file-stamped cover page for all other employees and board members who were required to file. No exceptions were found as a result of applying the procedure.

## **Procedure 8**

Obtain the quarterly written reports of expenditures filed with the Ohio Development Services Agency (DSA) for the Governor and public officials designated by the Governor required to be submitted for compliance with ORC 187.03(B)(3) ("187.03 Report") for the period July 1, 2020 through June 30, 2021. Obtain email correspondence for the report submittal to ascertain whether or not the report was submitted as required. For submittals that were not evidenced by email, confirm in writing with DSA the receipt date of the report. Inspect the report for the following elements: the dollar value and purpose of each expenditure, the date of each expenditure, the name of the person that paid or incurred each expenditure, and the location, if any, where services or benefits of an expenditure were received. Obtain a copy of the business rules for preparing the 187.03 Reports ("Business Rules"). Randomly select a sample of up to 10 transactions from the reports' subledgers and compare and agree the dollar value, purpose of each expenditure, the date of each expenditure, and the location, if any, where services or benefits of an expenditure were received, to the Business Rules and corresponding documentation. Report any instances where the expenditure reported was not supported by the Business Rules and the supporting documentation.

## *Results*

We obtained the quarterly written reports of expenditures filed with the Ohio DSA for the Governor and public officials designated by the Governor required to be submitted for compliance with ORC 187.03(B)(3) ("187.03 Report") for the period July 1, 2020 through June 30, 2021. The reports with expenditures contained columns, which identified the following elements "dollar value," "purpose," "date," "name of person that paid," and "location." We observed that each report was originally submitted, as required by ORC 187.04(B)(2)(b) as referenced in ORC 187.03(B)(3), no less than quarterly by inspecting email correspondence. We also obtained a copy of the most updated business rules for preparing the 187.03 Reports ("Business Rules") dated July 1, 2014. For the 2 transactions that occurred in this fiscal year, we compared and agreed the dollar value, purpose of each expenditure, the date of each expenditure, and the location, if any, where services or benefits of an expenditure were received, to the Business Rules and corresponding documentation. We confirmed that each reported transaction was supported by management's Business Rules and supporting documentation for both of the selections. No exceptions were found as a result of applying the procedure.

## **Procedure 9**

Obtain minutes and the list of public meetings of the Board at which a quorum is required to be physically present under ORC 187.01(F)(7), for the fiscal year ended June 30, 2021. Obtain JobsOhio's method for notifying persons of the time/place of such public meetings, and obtain the notices given for each such meeting. Ascertain whether or not a minimum of four meetings were held and that the minutes contained documentation that the meetings were open to the public except, by a majority vote of the directors present at the meeting, the meeting may be closed to the public. Ascertain whether or not these minutes were prepared, filed, and maintained for each of the meetings on the list of meetings provided by JobsOhio pursuant to ORC 187.03(E). For any such meetings during which a portion of the meeting was closed to the public, pursuant to ORC 187.03(C), inspect the Board-approved description of why a

portion of such meeting was closed to the public and ascertain whether or not it was for one or more of the following purposes:

- (1) To consider business strategy of the corporation.
- (2) To consider proprietary information belonging to potential applicants or potential recipients of business recruitment, retention, or creation incentives. For the purposes of this division, "proprietary information" means marketing plans, specific business strategy, production techniques and trade secrets, financial projections, or personal financial statements of applicants or members of the applicants' immediate family, including, but not limited to, tax records or other similar information not open to the public inspection.
- (3) To consider legal matters, including litigation, in which the corporation is or maybe involved.
- (4) To consider personnel matters related to an individual employee of the corporation.

#### *Results – Exception Identified*

We obtained the Board of Directors meeting minutes for public meetings where a quorum is required to be physically present under ORC 187.01(F). There were 4 such meetings held during fiscal year 2021. The minutes were appropriately prepared, filed, and maintained for each of the meetings. Per our inspection of the meeting minutes, we observed that 1 of the meetings had a portion of the meeting that was closed to the public, however, the minutes did not include a description of the reason a portion of the meeting was closed to the public pursuant to ORC 187.03(C). The other 3 public meetings did not have a portion closed to the public. Management informed us that its method for notifying persons of the time/place of such public meetings is to issue a press release, save the date, registration reminders, social media promotions, and a day before reminder prior to the meeting date. We obtained screenshots evidencing email communication for each of the meetings that there was to be an immediate Media Advisory release to the public discussing the who, what, when and where of the board meetings.

#### **Procedure 10**

Inspect the report submitted by the President and CIO of JobsOhio to the Governor detailing the Corporation's activities for the year ended December 31, 2020. Ascertain whether or not it was submitted by March 1, 2021 by inspecting email correspondence for submittal. Through a written certification of management which will provide a listing of the pages from the report which correspond with the below five elements and inspection of the report, ascertain whether or not the report contained the following five elements:

- (1) An analysis of the state's economy;
- (2) A description of the structure, operation, and financial status of the corporation;
- (3) A description of the corporation's strategy to improve the state economy and the standards of measure used to evaluate its progress;
- (4) An evaluation of the performance of current strategies and major initiatives;
- (5) An analysis of any statutory or administrative barriers to successful economic development, business recruitment, and job growth in the state identified by the JobsOhio during the preceding year.

#### *Results*

We obtained and inspected the report entitled "JobsOhio 2020 Annual Report/2021 Strategic Plan," which details JobsOhio's activities for the year ended December 31, 2020. We obtained and inspected the email correspondence, which transmitted this report to the Governor's office and confirmed that the date of submittal was March 1, 2021, which meets the required submittal of March 1, 2021. As per email

correspondence, the following documents were submitted to the Governor: a) the JobsOhio 2020 Annual Report/2021 Strategic Plan and b) Top Issues to Improve Ohio's Competitiveness (2020).

We obtained written representation from management identifying the pages from the report entitled "JobsOhio 2020 Annual Report/2021 Strategic Plan," which correspond to the five elements indicated in the Procedure 10 above. We compared and agreed the page numbers and respective sections from the written representation to the report confirming all elements to be present. For the element specified in (5) above, management provided a document entitled "Top Issues to Improve Ohio's Overall Competitiveness" and this document was submitted with the report as evidenced by the email correspondence. No exceptions were found as a result of applying the procedure.

### **Procedure 11**

Obtain from management documentation of the filing with the DSA the following designated records described in the contract entered into between JobsOhio and the DSA to assist the DSA in its functions and duties:

- (1) The corporation's federal income tax returns;
- (2) The report of expenditures described in Division (B)(3) of Section 187.03 of the ORC. The records shall be filed with the agency at such times and frequency as agreed to by the corporation and the agency, which shall not be less frequently than quarterly;
- (3) The annual total compensation paid to each officer and employee of the corporation;
- (4) A copy of the report for each financial audit of the corporation and of each supplemental compliance and control review of the corporation performed by a firm of independent certified public accountants pursuant to Division (J) of Section 187.01 of the ORC;
- (5) Records of any fully executed incentive proposals, to be filed annually;
- (6) Records pertaining to the monitoring of commitments made by incentive recipients, to be filed annually; and
- (7) A copy of the minutes of all public meetings described in Division (C) of Section 187.03 of the ORC not otherwise closed to the public.

### *Results*

We obtained an email dated March 1, 2021 from JobsOhio to the DSA, which indicated submission of the records and/or responses required per Procedure 11 as derived from the Agreement for Services, related to the points above, dated July 1, 2017, between JobsOhio and the DSA. We observed that the filing included each of the designated records described in this procedure. No exceptions were found as a result of applying the procedure.

### **Procedure 12**

Randomly select a sample of 20 employees from those officers and employees reported on the ORC 187.04(B)(2) report filed with the DSA for Procedure 11 (3) above, and compare the amount reported as annual total compensation paid to the employee's 2020 Form W-2, Box 18. Report any instances where the amount reported to the DSA does not match.

### *Results*

We obtained the list of officers and employees reported on the ORC 187.04(B)(2) report filed with the DSA and made a sample of 20. We compared the amount reported as annual total compensation paid to the employee or officer to their respective 2020 Form W-2, Box 18. No exceptions were found as a result of applying the procedure.



### **Procedure 13**

Ascertain through inquiry of management and inspection of minutes of the Board whether or not there were any changes to the conflicts of interest policy of JobsOhio during the fiscal year ended June 30, 2021.

- (1) If there were changes during that fiscal year, inspect the revised policy(ies) and ensure that it (they) continue to prohibit any director of JobsOhio from soliciting or accepting employment with any person that receives or has received an incentive or other assistance as a result of a decision the director participated in as a director of JobsOhio.
- (2) Inspect JobsOhio's Board minutes for disclosures of financial interests and report whether the minutes reflect that the conflicts of interest policy was followed.

### *Results*

We obtained all minutes of the Board of Directors meetings held during fiscal year 2021. We inquired with management and inspected the minutes of the Board and did not identify any changes in the conflicts of interest policy. We did not identify instances where financial interests were required to be disclosed. Inspection of the minutes indicate that conflicts of interest policy was followed. No exceptions were found as a result of applying the procedure.

### **Procedure 14**

Randomly select a sample of 10 companies from the OEC compilation lists (of each Board member's employer or ownership interests) that the Board member reported per ORC 187.06 (the "OEC Compilation List") dated July 16, 2021 for calendar year 2020 and compare it to the JobsOhio economic development incentive projects ("Projects") or arrangements made by JobsOhio taken from the DSA End-of-Year Report for calendar year 2020. Identify any companies in the sample that had active Projects or arrangements, defined as having received an offer from JobsOhio during the first six months of fiscal year 2021. From that list identify whether JobsOhio reported those companies where an offer had been made back to OEC by its letter to the OEC dated August 20, 2021.

### *Results*

We randomly selected a sample of 10 companies from the OEC Compilation Lists dated July 16, 2021 and compared the company names to the DSA End-of-Year Report. We identified 1 Company with an active project(s) or arrangement(s), defined as having received an offer from JobsOhio during the first 6 months of fiscal year 2021. Therefore, we inspected the OEC letter dated August 20, 2021 and noted that the Company with the active project was properly included. No exceptions were found as a result of applying the procedure.

### **Procedure 15**

For fiscal year 2021, obtain from the JobsOhio Senior Director of Compliance the confidential list of each Board member's and employee's financial and fiduciary interests (the "JO Disclosures List"). From the JO Disclosures List, randomly select a sample of 10 Board members or employees and compare their financial and fiduciary interests with the Projects or arrangements listed on the DSA End-of-Year Reports covering the final six months of calendar year 2020. Where a Board member or employee had a financial or fiduciary interest in an entity that JobsOhio had a Project or arrangement with during fiscal year 2021, inspect the JobsOhio customer relationship management (CRM) system Project file for the Project or arrangement and identify whether the financial or fiduciary interest was listed in the Conflict of Interest section of that Project file. Report any Project files where the potential conflict was not identified by JobsOhio. Additionally, inspect the rest of the Project file for the subject Board member's or employee's name and report if the person is listed as having participated in the Project.

## *Results*

We obtained the confidential list of financial and fiduciary interests for each Board member and employee from the JobsOhio Senior Director of Compliance and randomly selected a sample of 10 Board members or employees. For each of the selections, we compared their financial and fiduciary interests with the Projects or arrangements listed on the DSA End-of-Year Reports covering the final 6 months of calendar year 2020. We identified 6 Board member or employees who was said to have a de minimis financial or fiduciary interest in an entity that JobsOhio had a Project or arrangement with during fiscal year 2021. De minimis is defined by the Conflicts of Interest Policy established by JobsOhio. For this interest, we inspected the JobsOhio CRM system Project file for the Project or arrangement and observed therein that the Board Member or employee did not participate in the project. No exceptions were found as a result of applying the procedure.

### **Procedure 16**

From the DSA End-of-Year Report covering the last six months of calendar year 2020, randomly select a sample of 20 Projects and provide them to the Senior Director of Compliance. The Senior Director of Compliance will provide a list of any Board member or employee names that were identified in the Project file for the selected Projects as participating in the Project ("Participants List"). Compare the Participants List to the JO Disclosures List and ascertain whether or not any individuals on the Participants List are listed as having a financial or fiduciary interest, including de minimis interests, in the Project. If so, report whether JobsOhio documented the financial or fiduciary interest (not to include consumer debt, which includes credit cards, student loans, and car loans) in the Conflicts of Interest section of that Project file.

## *Results*

We randomly selected 20 Projects from the DSA End of Year Report which covered calendar year 2020. For each of the 20 Projects selected, the JobsOhio Senior Director of Compliance provided a list of any Board member or employee names which were identified in the CRM system as participating in the Project. We compared the Participant List to the JO Disclosure list. We did not identify any individuals which had a financial or fiduciary interest in any of the selected Projects. No exceptions were found as a result of applying the procedure.

### **Procedure 17**

ORC 187.06(G) - Obtain a listing of each officer and director and ascertain whether or not each individual listed has signed a statement affirming that the individual:

- (1) has received the conflicts of interest policy,
- (2) has read and understands the policy,
- (3) has agreed to comply with the policy, and
- (4) understands JobsOhio's statutory purpose and that it is a nonprofit corporation.

## *Results*

We obtained from management the listing of officers and directors in fiscal year 2021. We also obtained the annual conflicts of interest statement for each of the individuals as of the date of this report, observing that all statements were signed by the officer or director. The statement affirmed that the individual has received the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands JobsOhio's statutory purpose and that it is a nonprofit corporation. No exceptions were found as a result of applying the procedure.

**Procedure 18**

ORC 187.061(A) - Obtain the ethical conduct statement and the gift policy acknowledgement for all officers and employees of JobsOhio and compare such statements to a listing of employees listed on the last payroll register for the last payroll paid in June 2021.

*Results*

We obtained the ethical conduct statement and gift policy acknowledgement for all officers and employees of JobsOhio as of the end of fiscal year 2021. We compared each of the employees' names (excluding officers that are not also employees) to the head count of the last payroll in June 2021. We obtained the ethical conduct statement and gift policy acknowledgement for all employees and officers. No exceptions were found as a result of applying the procedure.

**Procedure 19**

ORC 187.061(A) - Obtain completion certificates or an attendance register for the annual course or program of study on ethics for all officers and employees of JobsOhio and compare the names of officers and employees to a listing of employees listed on the payroll register for the last payroll paid in June 2021.

*Results*

We obtained the attendance register or the acknowledgment for the annual courses on ethics (collectively "training records") for all other officers and employees of JobsOhio that completed the training in the fiscal year and compared the names of officers and employees to the last payroll paid in June 2021. No exceptions were found as a result of applying the procedure.

**Procedure 20**

Obtain a written representation from JobsOhio management that JobsOhio has not made any contribution to any campaign committee, political party, legislative campaign fund, political action committee, or political contributing entity as those terms are defined in ORC 3517.01.

*Results*

We obtained a management's representation indicating that at no time did JobsOhio or any of its employees or agents, on its behalf, make a contribution to any campaign committee, political party, legislative campaign fund, political action committee, or political contributing entity as those terms are defined in ORC 3517.01. No exceptions were found as a result of applying the procedure.

**Procedure 21**

From the JobsOhio Monthly Executed Agreement Reports located on the JobsOhio website covering the period July 1, 2020 through June 30, 2021, randomly select one JobsOhio Economic Development Grant, one JobsOhio Workforce Grant, one JobsOhio Research and Development Grant, one JobsOhio Revitalization Grant, one JobsOhio Phase II Grant, one JobsOhio Inclusion Grant, one JobsOhio Speculative Development Grant-OSIP, one JobsOhio Site Redevelopment Grant, one JobsOhio Growth Fund Loan, one JobsOhio Revitalization Loan, and one JobsOhio Speculative Development Loan-OSIP.

- (1) Through inspection of the notes of the twice weekly JO/DSA Project Review meetings in the CRM ("JO/DSA Project Review meeting"), ascertain whether or not the grant/loan was discussed during at least one of those meetings and before the agreement was executed as reflected in the CRM.
- (2) By inspection of the JO/DSA Project Review meeting notes, ascertain whether or not the leadership of both JobsOhio (at least three of the following: Executive Director of Operations, Senior and other Managing Directors, and/or General Counsel) and DSA (the Director, Assistant Director, and/or Chief of the Business Services Division or designee) was in attendance at the

JO/DSA Project Review meeting or if on or after August 24, 2020, whether or not the JobsOhio Managing Director of Projects approved the projects at the JO/DSA Meetings and provided the meeting agendas to DSA.

- (3) Obtain from management the original offer letter that was sent to the company. Compare the date of the offer letter to the date of the notes of the twice weekly JO/DSA Project Review meeting. Report the number of grants/loans selected where:
  - (a) an offer letter was issued before the review at a JO/DSA Project Review meeting or
  - (b) the offer letter was never issued.
- (4) Compare the application submission date of the company indicated in the Project record in the CRM to the offer letter date. Report the number of grants/loans where an application submission date was prior to the original offer letter.
- (5) For each of the loans selected, inspect the Project record and ascertain whether or not the JobsOhio loan review committee reviewed each loan by reference to the loan review meeting notes ("Loan Review Meeting Notes") in the CRM.
- (6) Through inspection of the agenda and other records of the Independent Review Panel meeting notes ("Independent Review Panel Notes") in the CRM, ascertain whether or not the panel reviewed each grant/loan. This section is not applicable to Inclusion Grants.
- (7) JobsOhio requires the creation of jobs within a specified time period, known as the Metric Evaluation Date (MEvD). Inspect the grant/loan agreement and ascertain whether or not a MEvD was included. Compare the MEvD in the agreement to the MEvD approved during the JO/DSA Project Review meeting and reflected in the most recent offer letter (either an offer letter or a supersedes offer letter) for the Project. If there are any differences, inspect the Project records for and identify documentation confirming the change in MEvD from the offer letter to the final approved agreement.
- (8) In the record for the Project, inspect the Project description and identified industry cluster and ascertain whether or not it was for retail and "other population driven businesses," (defined as hospitals, schools, entertainment uses, residential, or multifamily developments) other than for headquarters, back office, or logistics Projects for a retail entity. Report the number of Projects selected that were for retail and/or other population-driven businesses.
- (9) Inspect the Project record to ascertain the average hourly rate of the jobs committed to be created and ascertain whether or not it is at or above the wage floor defined by JobsOhio as 150% of federal minimum wage applicable on the execution date of the grant/loan agreement. (This wage floor is not a requirement of the Board approved guidelines for the Research and Development Grant, and so this procedure is not required for such Grants). This section is not applicable to Phase II Grants, Site Redevelopment Grants, Site Redevelopment Loans, and Speculative Development Grants and Speculative Development Loans.

#### *Results – Exception Identified*

We selected 1 sample from each of the following project categories for a total of 8 selections: JobsOhio Economic Development Grant, JobsOhio Workforce Grant, JobsOhio Research and Development Grant, Revitalization Grant, JobsOhio Phase II Grant, Inclusion Grant, Speculative Development Grant-OSIP, and Growth Fund Loan. The following 3 categories of projects were not included in the monthly executed reports on JobsOhio's website as there were no executed projects in fiscal year 2021: JobsOhio Site Redevelopment Grant, JobsOhio Revitalization Loan, and JobsOhio Speculative Development Loan-OSIP. No further procedures were performed for those 3 project categories. We performed the aforementioned procedures for the 8 selections and note that none of the selected loans or grants were retail or population-driven business. For the Economic Development Grant offered August 13, 2020, there was no DSA member present at the JO/DSA Project Review meeting since there were no DSA incentives in the project. Given the offer letter date, the project does not align with the approval process outlined in

step (2) above that allows JobsOhio Managing Director of Projects to approve the projects at the JO/DSA Meetings and provide the meeting agendas to DSA.

### **Procedure 22**

Obtain the program guidelines ("Board Guidelines") for the JobsOhio Economic Development Grant approved by the Board and in effect on the date the agreement was executed. For the JobsOhio Economic Development Grant selected in Procedure 21, obtain the executed grant agreement and ascertain whether or not it includes any ineligible costs as outlined in the applicable program guidelines. If an ineligible cost is included in the executed grant agreement, inspect the Project records for and identify documentation confirming that inclusion of the ineligible cost was approved by the Board or its designee as identified by management.

#### *Results*

For the JobsOhio Economic Development Grant selected in Procedure 21, we obtained the executed grant agreement and the Board Guidelines and observed that it did not include any ineligible costs as eligible for reimbursements, as described in this procedure. No exceptions were found as a result of applying the procedure.

### **Procedure 23**

For the JobsOhio Workforce Grant selected in Procedure 21, obtain the executed grant agreement and ascertain whether or not it includes any ineligible costs (as outlined in the Board Guidelines for the program) as eligible for reimbursement under the grant. If an ineligible cost is included in the executed grant agreement, inspect the Project records for and identify documentation confirming that inclusion of the ineligible cost was approved by the Board or its designee as identified by management.

#### *Results*

For the JobsOhio Workforce Grant selected in Procedure 21, we obtained the executed grant agreement and Board Guidelines and observed that it did not include any ineligible costs as eligible for reimbursement, as described in this procedure. No exceptions were found as a result of applying the procedure.

### **Procedure 24**

For the JobsOhio Research and Development Grant selected in Procedure 21, obtain the executed grant agreement and:

- (1) compare the eligible costs listed in the executed grant agreement to the ones outlined in the Board Guidelines for the program. If a cost is included in the executed grant agreement that is not listed as eligible in the Board Guidelines, inspect the Project records for and identify documentation confirming that inclusion of the cost was approved by the Board or its designee as identified by management; and
- (2) ascertain whether or not the grant was awarded to an eligible applicant or Research and Development Center (as outlined in the Board Guidelines for the program).

#### *Results*

For the JobsOhio Research and Development Grant selected in Procedure 21, we obtained the executed grant agreement and Board Guidelines and observed that costs included were eligible for reimbursement, as described in this procedure. The grantee was eligible as outlined in the Board Guidelines for the program. No exceptions were found as a result of applying the procedure.

### **Procedure 25**

For the JobsOhio Revitalization Grant selected in Procedure 21:

- (1) Obtain the executed grant agreement and:
  - (a) compare the eligible costs listed in the executed grant agreement to the ones outlined in the Board Guidelines for the program. If a cost is included in the executed grant agreement that is not listed as eligible in the Board Guidelines, inspect the Project records for and identify documentation confirming that inclusion of the cost was approved by the Board or its designee as identified by management; and
  - (b) ascertain whether or not the grant was awarded to an eligible applicant or site (as outlined in the Board Guidelines for the program); and
  - (c) ascertain whether or not the grant funds were available only to projects where job creation will begin within a negotiated period not to exceed 5 years.
  - (d) if a grant fund has a negotiated period exceeding 5 years, inspect the Project records for evidence of job creation prior to 5 years.
- (2) For remediation projects, ascertain whether or not the grant agreement required a No Further Action letter issued by an Ohio Certified Professional and / or a Covenant Not to Sue from the Ohio Environmental Protection Agency. If required, inspect the project records for inclusion of No Further Action letter or Covenant Not to Sue.

### *Results*

For the JobsOhio Revitalization Grant selected in Procedure 21 we obtained the executed grant agreement and Board Guidelines and ascertained that the eligible costs per the grant agreement were in accordance with those outlined in the Board Guidelines. For the Revitalization Grant selected, the participant was eligible, and grant funds were available only to the project where job creation will begin within a negotiated period not to exceed 5 years or the project record contained evidence of job creation prior to 5 years. Our selection was not classified as a Remediation Project. Thus, no further procedures were performed. No exceptions were found as a result of applying the procedure.

### **Procedure 26**

For the JobsOhio Phase II Grant selected in Procedure 21, obtain the executed grant agreement and:

- (1) compare the eligible costs listed in the executed grant agreement to the ones outlined in the Board Guidelines for the program. If a cost is included in the executed grant agreement that is not listed as eligible in the Board Guidelines, inspect the Project records for and identify documentation confirming that inclusion of the cost was approved by the Board or its designee as identified by management; and
- (2) ascertain whether or not the grant was awarded to an eligible applicant or site (as outlined in the Board Guidelines for the program); and
- (3) ascertain whether or not the grant funding exceeded \$200,000.

### *Results*

For the JobsOhio Phase II Grant selected in Procedure 21, we obtained the executed grant agreement and Board Guidelines and observed that costs included were eligible for reimbursement, was an eligible applicant or site (as outlined in the Board Guidelines for the program) and did not exceed \$200,000 dollars. No exceptions were found as a result of applying the procedure.

### **Procedure 27**

For the JobsOhio Inclusion Grant selected in Procedure 21:

- (1) Obtain the executed grant agreement and:
  - (a) compare the eligible costs in the executed agreement to the ones outlined in the Board Guidelines for the program. If a cost is included in the executed grant agreement that is not listed as eligible in the Board Guidelines, inspect the Project records for and identify documentation confirming that inclusion of the cost was approved by the Board or its designee as identified by management; and
  - (b) ascertain whether or not the grant was awarded to an eligible applicant and project (as outlined in the Board Guidelines for the program);
- (2) Ascertain whether or not the grant funding exceeded \$50,000.

### *Results*

For the JobsOhio Inclusion Grant selected in Procedure 21, we obtained the executed grant agreement and Board Guidelines and observed that costs included were eligible for reimbursement, as described in this procedure. The grantee was eligible as outlined in the Board Guidelines for the program. The grant funding did not exceed \$50,000. No exceptions were found as a result of applying the procedure.

### **Procedure 28**

For the JobsOhio Speculative Development Grant-OSIP in Procedure 21:

- (1) Obtain the executed grant agreement and:
  - (a) compare the eligible costs in the executed agreement to the ones outlined in the Board Guidelines for the program. If a cost is included in the executed grant agreement that is not listed as eligible in the Board Guidelines, inspect the Project records for and identify documentation confirming that inclusion of the cost was approved by the Board or its designee as identified by management; and
  - (b) ascertain whether or not through inspection of the CRM, the grant was awarded to an eligible site, applicant or end use (as outlined in the Board Guidelines for the program).
- (2) Ascertain whether or not, by inspection of the executed grant agreement, if the grant exceeded \$2 million and did not exceed \$5 million per project combination grant and loan and did not exceed 50% of the total project costs unless authorized by JobsOhio President/CIO.

### *Results*

For the JobsOhio Speculative Development Grant-OSIP selected in Procedure 21, we obtained the executed grant agreement and Board Guidelines and observed that costs included were eligible for reimbursement and it was an eligible applicant or site (as outlined in the Board Guidelines for the program). Further, through inspection of the CRM, we observed that the grant did not exceed \$2 million dollars and was not a combined grant and loan project. Thus the \$5 million dollar threshold wasn't applicable. We also observed that the grant did not exceed 50% of the total project costs. No exceptions were found as a result of applying the procedure.

### **Procedure 29**

For the JobsOhio Site Redevelopment Grant selected in Procedure 21:

- (1) Obtain the executed grant agreement and:

- (a) compare the eligible costs listed in the executed grant agreement to the ones outlined in the Board Guidelines for the program. If a cost is included in the executed grant agreement that is not listed as eligible in the Board Guidelines, inspect the Project records for and identify documentation confirming that inclusion of the cost was approved by the Board or its designee as identified by management; and
  - (b) ascertain whether or not through inspection of the CRM, the grant was awarded to an eligible site, applicant or end use (as outlined in the Board Guidelines for the program).
- (2) Ascertain whether or not, by inspection of the executed grant agreement, if the grant exceeded \$5 million and exceeded 50% of the total project costs unless authorized by JobsOhio President/CIO.
- (3) Ascertain whether or not JobsOhio and JobsOhio Regional Network Partners (APEG, Columbus 2020, DDC, REDI Cincinnati, RGP, and Team NEO) prioritized sites based on program guidelines.

### *Results*

There were no JobsOhio Site Redevelopment Grant agreements executed from the JobsOhio Monthly Executed Agreement Reports from the period 7/1/2020 through 6/30/2021. As such, no further procedures were performed. No exceptions were found as a result of applying the procedure.

### **Procedure 30**

For the JobsOhio Growth Fund Loan selected in Procedure 21, obtain the executed loan agreement and perform the following:

- (1) Ascertain whether or not, by inspection of the executed loan agreement, that the Growth Fund Loan was within the typical range of \$500,000 to \$5,000,000 as outlined in the Board Guidelines of the program. If the loan was not within that range, agree the amount of the loan in the executed loan agreement to the amount of the loan approved in the most recent term sheet reviewed and approved by the JobsOhio loan review committee for the loan.
- (2) Eligible costs include the following as described by the Board Guidelines: Land; building (purchase, construction, or renovation); machinery and equipment; capitalized costs directly related to a fixed asset purchase; and software development. Inspect the loan agreement and ascertain whether or not it includes one or more of the foregoing eligible costs (as outlined in the Board Guidelines for the program).
- (3) Compare the term of the loan in the executed loan agreement to the term of the loan approved by the JobsOhio loan review committee and reflected in the most recent term sheet for the loan.
- (4) By inspecting the most recent term sheet reviewed by the JobsOhio loan review committee for the Project, calculate that the applicant committed to make at least a 10% contribution/equity in the allowable Project costs and uses.
- (5) Inquire of management what security documents were used to secure the loan and inspect the Closing Binder in the Project record to ascertain whether or not those documents were included.

### *Results*

For the Growth Fund Loan selected in Procedure 21, we obtained the executed loan agreement and performed each of the aforementioned procedures. We inspected the loan agreement and confirmed that the 1 Growth Fund Loan selected was within the typical range of \$500,000 to \$5,000,000. For the 1 loan selected, we observed that eligible costs were directly related to a fixed asset purchase. We inspected the loan agreement term matched the most recent term sheet and that the applicant selected committed to make at least a 10% contribution in allowable Project costs and uses. We inquired of management as to the security documents and inspected the documents that were included in the



Closing Binder. No exceptions were found as a result of applying the procedure.

**Procedure 31**

For the JobsOhio Revitalization Loan selected in Procedure 21, obtain the executed loan agreement and perform the following:

- (1) Inspect the loan agreement metric commitments to ascertain whether or not the executed loan agreement requires at least 20 jobs will be created and/or retained. Inspect the Project records for a signed agreement from the borrower, such as a letter of intent, option, lease, or documentation that the Borrower holds title for the Project site.
- (2) Inspect the loan agreement and ascertain whether or not it includes one or more of the eligible costs (as outlined in the Board Guidelines for the program). If it does not, inspect the Project records for and ascertain whether or not the cost was approved in the most recent term sheet reviewed and approved by the JobsOhio loan review committee for the loan.
- (3) Ascertain whether or not the loan was within the typical range of \$500,000 to \$5,000,000 and between 20% and 75% of eligible costs. If the Project loan was not within that range, agree the amount of the loan in the executed loan agreement to the amount of the loan approved in the most recent term sheet reviewed by the JobsOhio loan review committee for the Project.
- (4) Inspect the term of the note and ascertain whether or not it is within the typical range of between 10 and 15 years. If the term was not within that range, agree the term in the executed loan agreement to the term approved in the most recent term sheet reviewed by the JobsOhio loan review committee for the Project.

*Results*

There were no JobsOhio Revitalization Loan agreements executed from the JobsOhio Monthly Executed Agreement Reports from the period 7/1/2020 through 6/30/2021. As such, no further procedures were performed. No exceptions were found as a result of applying the procedure.

**Procedure 32**

For the JobsOhio Speculative Development Loan-OSIP selected in Procedure 21, obtain the executed loan agreement and perform the following:

- (1) Inspect the loan agreement and ascertain whether or not the loan was awarded to an eligible applicant and project (as outlined in the Board Guidelines for the program).
- (2) Inspect the loan agreement and ascertain whether or not it includes one or more of the eligible costs (as outlined in the Board Guidelines for the program). If it does not, inspect the Project records for and ascertain whether or not the cost was approved in the most recent term sheet reviewed and approved by the JobsOhio loan review committee for the loan.
- (3) Ascertain whether or not, by inspection of the loan agreement, whether or not the loan, in combination with the grant, were within the typical range of less than or equal to \$5,000,000 and did not exceed 50% of the total project costs unless authorized by JobsOhio President/CIO.

*Results*

From the JobsOhio Monthly Executed Agreement Reports from 7/1/2020 through 6/30/2021, there were no JobsOhio Speculative Development Loan-OSIP agreements executed. As such, no further steps were performed. No exceptions were found as a result of applying the procedure.

### **Procedure 33**

From the loans selected in Procedure 21, perform the following:

- (1) Inspect the loan agreement for the disbursement requirements specific to that loan (typically located in Section 2.5) and ascertain whether or not by inspection of the Closing Binder, disbursement, and other program records for the Project that JobsOhio received proof that the conditions were met prior to JobsOhio disbursing any loan proceeds.
- (2) If the Loan Agreement requires that disbursements are limited to a certain percentage of eligible costs, inspect the approved disbursement records to ascertain whether or not they were within the required percentage.
- (3) For each loan, randomly select one reimbursement request paid during fiscal year 2020, if any, and ascertain whether or not by inspection of the disbursement records, that source documentation, when aggregated, is greater than or equal to the amount of the disbursement and were for eligible costs in accordance with the terms of the agreement.
- (4) Ascertain whether or not the Metric updates were included with the reimbursement request prior to approval of the reimbursement request.
- (5) Ascertain whether or not both a staff member and the Chief Financial Officer or designee approved each reimbursement request prior to disbursement of funds, as evidenced by the date on the reimbursement request approval and the date the payment was disbursed.

### **Results**

We inspected the loan agreement from the loan selected in Procedure 21 for disbursement requirements specific to the loan. For the 1 selected loan in procedure 21, we randomly selected a disbursement in fiscal year 2020. We inspected the loan agreement and disbursement requirements specific to the loan and ascertained that the conditions for disbursement were met. We inspected the approved disbursement records and ascertained that the disbursement was not limited to a certain percentage of eligible costs. The aforementioned disbursement was paid during the fiscal year 2020 and the source documentation was greater than or equal to the amount of the disbursement and was for eligible costs. Metric updates were included within the reimbursement request prior to their approval. The reimbursements were approved by a staff member and the CFO or designee prior to the disbursement of funds. No exceptions were found as a result of applying the procedure.

### **Procedure 34**

From the grants selected in Procedure 21, randomly select one reimbursement request paid during fiscal year 2021, if any, and perform the following:

- (1) Ascertain whether or not, by inspection of the disbursement records that source documentation, when aggregated, is greater than or equal to the amount of the disbursement and were for eligible costs in accordance with the terms of the agreement, unless through an inspection of the Project record, the grant was approved to participate in the JobsOhio Rapid Deployment Initiative (JORDI). If so, select another reimbursement request until a non-JORDI reimbursement request has been selected.
- (2) Ascertain whether or not the Metric updates were included with the reimbursement request prior to approval of the reimbursement request.
- (3) Ascertain whether or not both a staff member and the Chief Financial Officer or designee approved each reimbursement request prior to disbursement of funds, as evidenced by the date on the reimbursement request approval and the date the payment was disbursed.
- (4) If a deficiency in the reimbursement request was listed by JobsOhio, ascertain whether or not JobsOhio notified the grantee of the deficiencies by inspecting the documentation of the

notification. Ascertain through an inspection of the approved disbursement request that the deficiency amount was not included in the funds disbursed.

### *Results*

For each of the 7 grants selected in Procedure 21, we selected 1 fiscal year 2021 reimbursement, unless there were none, and performed each of the aforementioned procedures. We observed that 5 out of the 7 grants selected did not have any disbursements paid during fiscal year 2021. For the remaining 2 grant selections we randomly selected 1 reimbursement request paid during fiscal year 2021 and ascertained through inspection of the project records that the source documentation was greater to or equal to the disbursement amount. Further, that the amount only included eligible costs in accordance with the agreement and that metric updates were included with the reimbursement prior to approval. Both a staff member and CFO approved each reimbursement prior to disbursement of funds. There was no deficiency reimbursements for either of the disbursements selected. No exceptions were found as a result of applying the procedure.

### **Procedure 35**

Obtain from management a list of all Projects approved to participate in the JobsOhio Rapid Deployment Initiative (JORDI), randomly select one loan and one grant and perform the following:

- (1) Ascertain that the Company provided supporting documentation for the original JORDI reimbursement request by June 30, 2021;
- (2) If supporting documentation was not received by June 30, 2021, ascertain whether or not JobsOhio approved an extension or took action.
- (3) Ascertain whether or not both a staff member and the Chief Financial Officer or designee approved each disbursement request prior to disbursement of funds, as evidenced by the date on the disbursement request approval and the date the payment was disbursed.

### *Results*

We obtained a list of all Projects approved to participate in JobsOhio Rapid Deployment Initiative and selected 1 loan and 1 grant to perform the aforementioned procedures. No exceptions were found as a result of applying the procedure.

### **Procedure 36**

From the JobsOhio Monthly Executed Agreement Reports covering the period January 1, 2020 through December 31, 2020, randomly select one loan and one grant (excluding Phase II Grants) and perform the following:

- (1) For the one grant and one loan selected, ascertain whether or not by inspection of the Project records in the CRM that an annual report was submitted to JobsOhio no later than March 1, 2021.
- (2) If an annual report was received later than March 1, 2021, by inspection of the Project records, note the date the report was received and if an extension had been approved by the Senior Director of Compliance or the Senior Project Performance Manager.

### *Results – Exception Identified*

We obtained the JobsOhio Monthly Executed Agreement Reports covering the period January 1, 2020, through December 31, 2020, and selected a sample of 1 loan and 1 grant. We performed each of the aforementioned procedures for each of the grants and loans selected. For the loan selected, we observed through the Project records in the CRM that an annual report was submitted to JobsOhio no later than March 1, 2021. For the grant selected, an annual report was not submitted by the deadline and an extension was not approved. Past due reminders were sent to the selected grantee from March 2, 2021

through July 30, 2021, totaling 104 reminders sent. The annual report for the selected grantee was ultimately submitted on July 30, 2021.

### **Procedure 37**

Obtain from management a list of all Projects that reached their MEvD on December 31, 2020 ("2020 MEvD List"). Of the non-Phase II JobsOhio Projects with a MEvD of December 31, 2020, randomly select a Project.

- (1) For the Project selected, ascertain whether or not, through inspection of the Project record, the company submitted an Annual Report for calendar year 2020.
- (2) If the company did not submit an Annual Report for calendar year 2020, inspect the PPRT meeting notes in the Project record to ascertain whether or not the Project was selected to go before the PPRT. If it was selected to go before the PPRT, ascertain whether or not it was on the PPRT meeting agenda for discussion.
- (3) Inspect the PPRT meeting notes in the Project record to ascertain what the PPRT decided, and whether the decision was acted on through the date of the Agreed-Upon Procedures.

### *Results*

We obtained a listing of Projects that reached their MEvD on December 31, 2020 and made a random selection of a non-Phase II Project. As the selected Project submitted an Annual Report for calendar year 2020 no further procedures were performed. No exceptions were found as a result of applying the procedure.

### **Procedure 38**

For the Project selected in Procedure 37, ascertain whether or not the company requested and received any of the grant and/or loan funds. If the Project received funds, ascertain whether or not the company requested a disbursement of funds after the MEvD. If the company did, inspect the PPRT meeting notes in the Project record to ascertain PPRT approved the disbursement request.

### *Results*

For the grant selected in Procedure 37, we inspected the Project record to ascertain if the company received any funds. Through inspection of the project record it was observed that the disbursement request was requested prior to the MEvD. No exceptions were found as a result of applying the procedure.

### **Procedure 39**

Of the Projects listed on the 2020 MEvD List, excluding Phase II Grants, select a random sampling of the greater of 20% or 20 of the Projects listed, and inspect the Annual Report submitted for calendar year 2020 for those Projects. For each Project selected, JobsOhio will complete the first five columns of the chart attached as Exhibit A to these procedures to reflect whether or not the company met its metric commitments. Ascertain whether or not the information in the first five columns agrees to supporting documentation obtained from JobsOhio.

If the company did not meet its job number, payroll, or fixed asset metric commitments, then perform the following:

- (1) Inspect the Project record to ascertain whether or not the company requested or provided Market Conditions and Other Factors (as provided in their Grant or Loan Agreement) to explain the shortfall.
- (2) Inspect the Project record to ascertain whether or not JobsOhio documented its follow up with the company.

- (3) Inspect the PPRT meeting notes in the Project record to ascertain whether or not the Project was selected to go before the PPRT. If it was selected to go before PPRT, ascertain whether or not it was on the PPRT meeting agenda for discussion.
- (4) Inspect the PPRT meeting notes in the Project record to ascertain what PPRT decided, and whether the decision was acted on through the date of the Agreed-Upon Procedures report.

#### *Results*

We selected 27 Projects, which was the greater of 20 or 20% of Projects listed, from the 2020 MEvD list and inspected the 2020 Annual Reports for all of the projects selected. Of those projects selected, 12 projects had met all their metrics, and 15 of the Projects did not meet at least 1 of their metrics. We then performed each of the aforementioned procedures. We inspected the Project records and observed that 12 of the selected Projects' records had contained an explanation of the shortfall. On April 4, 2020 the President and Chief Investment Officer (CIO) of JobsOhio issued an immediate and automatic limited waiver of compliance that was a blanket waiver of compliance for projects with a metric evaluation date of December 31, 2020. For the 3 projects that did not meet at least 1 of their metrics and did not provide an explanation of their shortfall, we inspected the waiver provided by the President and Chief Investment Officer. This waiver is applicable to all projects with an MEvD of December 31, 2020 and thus we did not perform step 1 for these 3 projects as denoted by an asterisk (\*) within the chart below. We also observed that the 15 Projects where it was noted the project did not meet at least one of their metrics, the records contained evidence of follow-up from JobsOhio to the company. We observed that those 15 Projects were within the authorization level of the Senior Director of Compliance to approve to waive noncompliance. Thus, these projects were not required to go before PPRT, and we could not perform steps 3 and 4. We inspected the project record and ascertained. No exceptions were found as a result of applying the procedure.

#### **Procedure 40**

Obtain from management a list of all Projects for which there is an executed agreement for the JobsOhio Workforce Retention Loan. Select five Projects and obtain the executed loan agreement and perform the following:

- (1) Ascertain whether or not both a staff member and the Chief Financial Officer or designee approved each disbursement request prior to disbursement of funds, as evidenced by the date on the disbursement request approval and the date the payment was disbursed.
- (2) Ascertain whether or not the Company submitted a Workforce Final Report by November 30, 2020.
- (3) If the Company did not submit a Workforce Final Report by November 30, 2020, ascertain whether or not JobsOhio followed up to get it submitted.

#### *Results*

We selected 5 projects and obtained the executed loan agreements. We inspected the Project record and ascertained that each disbursement was approved by both a staff member and CFO prior to disbursement of funds. In addition, we ascertained that all 5 selected companies submitted a Workforce Final Report by November 30, 2020. As such, step 3 is not applicable. No exceptions were found as a result of applying the procedure.

#### **Procedure 41**

Obtain from management a list of all Projects for which there is an executed agreement for the JobsOhio Innovation Loan. Select three Projects and obtain the executed agreement and perform the following:

- (1) Ascertain whether or not, by inspection of the Project record, the Company met the criteria to qualify for the program:

- (a) Must be an Ohio venture-backed portfolio company having achieved a level of scale as demonstrated by completion of previous seed round, meaningful revenue generation, customer count or some other measure of scale.
  - (b) Must have a lead investor and total co-investment of at least 1 to 1 with the JobsOhio convertible loan
- (2) Ascertain whether or not the JobsOhio Allocation Committee selected the companies to participate in this program.
- (3) Select three disbursement requests and ascertain:
- (a) whether or not the funds were disbursed after the agreement was executed and
  - (b) the amount of the request did not exceed the total amount of the loan.
- (4) Ascertain whether or not both a staff member and the Chief Financial Officer or designee approved each disbursement request prior to disbursement of funds, as evidenced by the date on the disbursement request approval and the date the payment was disbursed.

*Results*

We obtained from management a list of all Projects for which there is an executed agreement for JobsOhio Innovation Loan and made 3 selections. We inspected the project record and ascertained that each company was an Ohio venture-backed portfolio company that met the measure of scale, had a lead investor and total co-investment of at least 1 to 1, and was selected by the JobsOhio Allocation Committee. We selected 3 disbursements randomly and ascertained that the funds were not disbursed before the executed agreement and that each disbursement did not exceed the total amount of the loan. Each disbursement was approved by a staff member and the CFO prior to the date the payment was disbursed. No exceptions were found as a result of applying the procedure.

**Procedure 42**

Obtain from management the executed agreements for the JobsOhio Innovation District – STEM and JobsOhio Innovation District – RESEARCH and perform the following:

- (1) Ascertain whether or not, the following documentation of the JobsOhio Innovation District – STEM and JobsOhio Innovation District – RESEARCH exist, or are recorded, in the Project record:
  - (a) Term sheet
  - (b) Approval from the board of directors and
  - (c) A final agreement
- (2) Select one disbursement request and ascertain:
  - (a) whether or not the funds were disbursed after the agreement was executed and
  - (b) the amount did not exceed the total amount approved.
- (3) Ascertain whether or not both a staff member and the Chief Financial Officer or designee approved each disbursement request prior to disbursement of funds, as evidenced by the date on the disbursement request approval and the date the payment was disbursed.

## *Results*

We obtained from management the executed agreements for the JobsOhio Innovation District-STEM and JobsOhio District-RESEARCH projects and ascertained that the following were recorded in the project record: term sheet, board of directors' approval, and the final agreement. In total there were 8 projects executed in fiscal year 2021. We selected 1 fiscal year 2021 disbursement request for 3 projects and ascertained that the funds were not disbursed until the agreement was executed and that the amount disbursed did not exceed the total amount approved. We inspected the project record and observed there was approval for each of the 3 projects by a staff member and CFO prior to the disbursement of funds. The remaining 5 projects did not have disbursements in fiscal year 2021 and no further procedures were performed. No exceptions were found as a result of applying the procedure.

### **Procedure 43**

Obtain from management a listing of active loans that have payments greater than 10 days past due as of June 30, 2021. For any loan listed, perform the following:

- (1) Inspect the Project record to ascertain whether or not the company requested or provided Market Conditions and Other Factors (as provided in their Loan Agreement) to explain the late payment.
- (2) Inspect the Project record to ascertain whether or not JobsOhio documented its follow up with the company.
- (3) Inspect the PPRT meeting notes in the Project record to ascertain whether or not the Project was selected to go before the PPRT. If it was selected to go before PPRT, ascertain whether or not it was on the PPRT meeting agenda for discussion.
- (4) Inspect the PPRT meeting notes in the Project record to ascertain what PPRT decided, and whether the decision was acted on through the date of the Agreed-Upon Procedures report.

## *Results*

We obtained the listing of active loans that have payments greater than 10 days past due as of June 30, 2021. From inspection of the listing, there was 1 project that was greater than 10 days past due. JobsOhio requested market conditions and other factors from the company, which were provided by the company and documented as follow up with the company. From inspection of the PPRT meeting notes, the project was selected to go before the PPRT and was included on the agenda for discussion. The PPRT decided to seek litigation for payment against the company, which was acted on through the date of the Agreed-Upon Procedures report. No exceptions were found as a result of applying the procedure.

### **Procedure 44**

Obtain from management a list of all Projects that reached their MEvD on December 31, 2020 ("2020 MEvD List"). The list shall include Project name, company name, and program type. From that list, select a random sample of five Revitalization Phase II Grants and inspect the Project record for each selected Phase II Grant and ascertain whether or not JobsOhio disbursed funds to the Grantee. Where funds were disbursed, inspect the Project record and ascertain whether or not a copy of the Phase II environmental report was obtained by JobsOhio prior to disbursing funds.

## *Results*

We obtained a listing of projects that reached their MEvD on December 31, 2020 and made a random selection of 5 Revitalization Phase II grants and inspected the project records to ascertain if any disbursements were made to the Grantee. If any disbursements had been made, we inspected the project records to ascertain if the Phase II environmental report was obtained prior to disbursement. No exceptions were found as a result of applying the procedure.

**Procedure 45**

ORC 187.06 (H) - Inquire of management whether a periodic review that determined all of the following items was conducted during the fiscal year:

- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining;
- (2) Whether JobsOhio's operations are consistent with its articles of incorporation, regulations, and contractual obligations, and are properly documented; and
- (3) Whether transactions are fair to JobsOhio, reflect reasonable investment or payments for goods and services, further JobsOhio's statutory purpose or contractual obligations, and do not result in direct private benefit to directors, officers, or other persons, in other than a de minimis manner.

If no review was performed, inquire of management when the review will be completed. If such periodic review was completed, obtain from management the results of the review, and inspect that the three elements listed above were included in the results.

*Results*

We inquired with management who noted a periodic review was conducted during the fiscal year. We obtained a copy of the periodic review for the 2021 fiscal year. The review was submitted to the JobsOhio Audit committee on August 25, 2021 by the Senior Director of Compliance. We inspected the review and determined that all 3 elements were included appropriately. No exceptions were found as a result of applying the procedure.

**Exhibit A for JobsOhio Procedure 39**

	Commitments	JC	JCP	JR	JRP	TFAI	Company Explained Variance (1)	JO Follow Up (2)	Went to PPRT (3)	Decision (4)	Decision Acted On (4)
<b>Company 1</b>	<b>Original</b>										
	<b>Amended</b>										
	<b>Reported</b>										
<b>Company 2</b>	<b>Original</b>										
	<b>Amended</b>										
	<b>Reported</b>										
<b>Company 3</b>	<b>Original</b>										
	<b>Amended</b>										
	<b>Reported</b>										
<b>Company 4</b>	<b>Original</b>										
	<b>Amended</b>										
	<b>Reported</b>										

JC = Jobs Created

JCP = Associated Jobs Created Payroll

JR = Jobs Retained

JRP = Associated Jobs Retained Payroll

TFAI = Total Fixed Asset Investment

Y = Yes Project had commitments

+/-% = Percent over or under commitments

*Results*



**Exhibit A for JobsOhio Procedure 39**

	<b>Commitments</b>	<b>JC</b>	<b>JCP</b>	<b>JR</b>	<b>JRP</b>	<b>TFAI</b>	<b>Company Explained Variance</b>	<b>JO Follow Up</b>	<b>Went to PPRT</b>	<b>Decision</b>	<b>Decision Acted On</b>
							<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(4)</b>
<b>Company 1</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	712%	952.40%	100%	100%	113%					
<b>Company 2</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	-33.60%	112.39%	100%	100%	100%	Y	Y	N/A	N/A	N/A
<b>Company 3</b>	<b>Original</b>	Y	Y	Y	Y	-					
	<b>Amended</b>										
	<b>Reported</b>	108.89%	-98.02%	100%	100%	-	*	Y	N/A	N/A	N/A
<b>Company 4</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	-10%	124.81%	100%	100%	126%	*	Y	N/A	N/A	N/A
<b>Company 5</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	0%	0%	-90.84%	-	93.32%	-59%	Y	Y	N/A	N/A

<b>Company 6</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	-21.43%	0%	100%	-25.34%	108%	Y	Y	N/A	N/A	N/A
<b>Company 7</b>	<b>Original</b>	Y	Y	-	-	Y					
	<b>Amended</b>										
	<b>Reported</b>	101.25%	-13.25%	-	-	151%	Y	Y	N/A	N/A	N/A
<b>Company 8</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	139.13%	360.78%	100%	100%	114%					
<b>Company 9</b>	<b>Original</b>	Y	Y	-	-	Y					
	<b>Amended</b>										
	<b>Reported</b>	-12%	107.92%	-	-	207%	*	Y	N/A	N/A	N/A
<b>Company 10</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	0%	0%	0%	0%	155%	Y	Y	N/A	N/A	N/A
<b>Company 11</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>	Y									
	<b>Reported</b>	-20.61%	100.91%	100%	100%	-2%	Y	Y	N/A	N/A	N/A
<b>Company 12</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	1280%	1869.08%	100%	100%	145%					
<b>Company 13</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	220%	472.55%	100%	100%	116%					

<b>Company 14</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	280%	189%	100%	100%	232%					
<b>Company 15</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	188.24%	219.81%	100%	100%	186%					
<b>Company 16</b>	<b>Original</b>	Y	Y	-	-	Y					
	<b>Amended</b>					Y					
	<b>Reported</b>	-54.29%	-48.04%	-	-	180%	Y	Y	N/A	N/A	N/A
<b>Company 17</b>	<b>Original</b>	Y	Y	-	-	Y					
	<b>Amended</b>										
	<b>Reported</b>	155.15%	215.72%	-	-	321%					
<b>Company 18</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	0%	738.20%	-10.45%	100%	144%	Y	Y	N/A	N/A	N/A
<b>Company 19</b>	<b>Amended</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	-91.67%	121.02%	100%	100%	-16%	Y	Y	N/A	N/A	N/A
<b>Company 20</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	-27.14%	182.65%	100%	100%	107%	Y	Y	N/A	N/A	N/A
<b>Company 21</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	-45.86%	-64.57%	100%	100%	127%	Y	Y	N/A	N/A	N/A

<b>Company 22</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	124%	203.82%	100%	100%	126%					
<b>Company 23</b>	<b>Original</b>	Y	Y	Y	Y	-					
	<b>Amended</b>										
	<b>Reported</b>	140.67%	220.87%	100%	100%	-					
<b>Company 24</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	297.27%	238.82%	100%	100%	177%					
<b>Company 25</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	143.75%	228.88%	100%	100%	100%					
<b>Company 26</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	-92.05%	-77.67%	100%	100%	116%	Y	Y	N/A	N/A	N/A
<b>Company 27</b>	<b>Original</b>	Y	Y	Y	Y	Y					
	<b>Amended</b>										
	<b>Reported</b>	158.33%	268.38%	100%	100%	137%					

JC = Jobs Created

JCP = Associated Jobs Created Payroll

JR = Jobs Retained

JRP = Associated Jobs Retained Payroll

TFAI = Total Fixed Asset Investment

\* = explanation was not required because of the CEO's April 4, 2020 determination letter

Y = Yes Project had commitments

+/-% = Percent over or under commitments

## **JobsOhio Beverage System (JOBS)**

### ***Procedure 1***

Obtain a written representation from management that JOBS has not made any contribution to any campaign committee, political party, legislative campaign fund, political action committee, or political contributing entity as those terms are defined in ORC 3517.01.

#### *Results*

We obtained a copy of management's representation indicating that at no time did JOBS or any of its employees or agents, on its behalf, make a contribution to any campaign committee, political party, legislative campaign fund, political action committee, or political contributing entity as those terms are defined in ORC 3517.01. No exceptions were found as a result of applying the procedure.

### ***Procedure 2***

Following the fiscal year ended June 30, 2021, ascertain whether or not JOBS made an overpayment or underpayment of actual ordinary operating expenses by obtaining the JOBS Annual Reconciliation Report, which is calculated by DLC. If an overpayment has been made, ascertain whether or not the overpayment was credited as an adjustment amount against the Estimated Expense Payment for the second quarter of the following fiscal year. If an underpayment was made, ascertain whether or not JOBS paid such adjustment amount to DLC no later than 31 days after receipt of DLC's written notice and calculation of such underpayment as evidenced by the date on the disbursement utilized to pay such amount.

#### *Results*

We obtained the JOBS Annual Reconciliation Report for the fiscal year ended June 30, 2021 which showed an overpayment of actual ordinary operating expenses of \$1,779,337.39. Per inspection of the canceled check copy for the second quarter of the following fiscal year, we confirmed that the overpayment was credited as an adjustment against the Estimated Expense Payment. No exceptions were found as a result of applying the procedure.

### ***Procedure 3***

Obtain a listing of liquor tax payments from management and randomly select a sample of 10 liquor tax payments. Ascertain whether or not JOBS (or the master trustee on its behalf) paid applicable liquor taxes on or before the 5th and 20th days of the calendar month following applicable tax calculations made by DLC as evidenced by the date on the disbursement utilized to pay such amount. If the fifth or 20th day of the month is not a business day, ascertain whether or not the disbursement date was the next business day of the month.

#### *Results*

We obtained a listing of liquor tax payments from JOBS management and randomly selected 10 liquor tax payments. For the 10 samples, the payment was made on or before the 5th or 20th days of the calendar month or the first business day before or following the 5th or the 20th, if they did not fall on a business day. No exceptions were found as a result of applying the procedure.

### ***Procedure 4***

Inquire of management if there is a process in place to ascertain whether or not "reportable events" have occurred per Section 6 of the Continuing Disclosure Undertaking Agreement. Inquire of management whether any reportable event did occur that was required to be disclosed. If so, ascertain whether or not, by reference to the Electronic Municipal Market Access (EMMA) System (<https://emma.msrb.org>) that the disclosure was made.

### *Results*

We inquired of JOBS' management and were informed that it regularly monitors events per Section 6 of the Continuing Disclosure Undertaking Agreement during the normal course of business through weekly meetings attended by the CFO and President/CIO. Management also informed us that there were no "reportable events" during fiscal year 2021. No exceptions were found as a result of applying the procedure.

### **Procedure 5**

For a randomly selected sample of six weeks during fiscal year 2021, ascertain whether or not JOBS provided the Trustee with an officer's certificate(s) providing an estimated Operating Expense of the Liquor Enterprise for the next week, including the amounts estimated to be paid under the Service Agreement.

### *Results*

We randomly selected a sample of 6 weeks and confirmed that JOBS provided the Trustee with an officer's certificate providing an estimated Operating Expense of the Liquor Enterprise for the next week, including the amounts estimated to be paid under the Service Agreement. No exceptions were found as a result of applying the procedure.

### **Procedure 6**

Inquire of management and through inspection of the management-provided memorandum to the Ohio Office of Budget and Management (OBM), ascertain whether or not liquor enterprise profits exceeded the base franchise profits (for fiscal year 2021, the base amount is \$326,193,296.) If the base franchise profits were exceeded, recalculate that the cash payment made to the state (the "supplemental payment") was equal to 75% of the amount by which the liquor enterprise profits exceeded the base franchise profits. Ascertain whether or not JOBS paid the calculated amount to the state by inspecting the bank statement for indication that the payment was either wired to OBM or paid by physical check.

### *Results*

We inquired of management and obtained the memorandum to the Ohio Office of Budget and Management (entitled "Deferred Payment Notice"), which indicated that the liquor enterprise profits were \$493,953,852. The profits exceeded the base franchise profits of \$326,193,296 by \$167,760,556. We recalculated the resultant supplemental payment of \$125,820,417 by multiplying the excess profit of \$167,760,556 by 75%. We also obtained the JOBS' bank statement for August 2021 and observed that the payment of \$125,820,417 was made on August 27, 2021. No exceptions were found as a result of applying the procedure.

### **Procedure 7**

Obtain from management filings to the trustee (as evidenced by email correspondence for submittal), for filing on the EMMA System, the following financial information with respect to the Series 2013 Bonds:

- (1) Within 120 days, or when available, the audited financial statements for the year ended June 30, 2021.
- (2) Within 60 days of the close of each March 31, June 30, October 30, and December 31, commencing June 30, 2021, financial information for the preceding three-month period, including unaudited financial statements and income statements, if audited financial statements are not available. Perform this procedure for any three-month period for which the filing date was in fiscal year 2021.
- (3) Within 120 days of the close of each fiscal year, commencing June 30, 2021, operating data of the general type included under the heading, "THE LIQUOR ENTERPRISE" in the final offering circular. Perform this procedure for the required filing which occurred in fiscal year 2021.

Report any instances where the filings were not made to the trustee within the time period specified above.

#### *Results*

We obtained from management the filings to the trustee for filing on the EMMA System and confirmed that all financial statements were filed within the deadlines. No exceptions were found as a result of applying the procedure.

#### **Procedure 8**

Obtain from management a list of the purchase orders that were issued to obtain Personal Protection Equipment (PPE) and inquire if any of the purchase orders were issued in fiscal year 2021. For any purchase orders issued in fiscal year 2021, ascertain whether or not the total amount was approved by the Board by inspecting a copy of the Board meeting minutes.

- (1) Obtain from management a list of the payments for PPE purchases during fiscal year 2021. Randomly select three payments and perform the following:
  - (a) Ascertain whether or not the payment amount equals the dollar amount of the vendor invoice(s) being paid.
  - (b) Ascertain whether or not a receipt of goods or other documentation was obtained by JOBS that provides the quantity of goods received.
  - (c) Ascertain whether or not the quantity of goods received equals the quantity of goods billed on the vendor invoice(s) being paid.
  - (d) Ascertain whether or not the dollar amount per item billed on the vendor invoice(s) is less than or equal to the dollar amount per item ordered on the purchase order.
- (2) Obtain from management and document the total aggregate PPE purchases during fiscal year 2020 and 2021.

#### *Results*

We obtained a listing of purchase orders issued related to personal protection equipment (PPE). We inquired with management and were informed that there were no purchase orders issued in fiscal year 2021. We did not review a copy of Board meeting minutes as no such approval was needed in fiscal year 2021. We obtained a listing of payments made in FY21 for PPE and made 3 random selections. We ascertained that the payment amount equals the dollar amount of the vendor invoices being paid. We obtained the receiving document or other support that denoted the quantity of goods to ascertain that it equaled the amount on the vendor invoices being paid. The amount of PPE purchase orders in FY20 & FY21 were \$60,364,297 and \$0, respectively. No exceptions were found as a result of applying the procedure.

#### **Procedure 9**

Ascertain through inquiry of JOBS management and OBM management whether or not JOBS received reimbursement from the State of Ohio for PPE purchases that were direct shipped to the Ohio Department of Health for intake and distribution.

#### *Results*

We inquired with management and OBM Management whether or not JOBS received reimbursement from the State of Ohio for PPE purchases. Based on inquiries held, JOBS has not received reimbursement for the PPE purchases. No exceptions were found as a result of applying the procedure.

### **Procedure 10**

Through an inspection of the JOBS Annual Reconciliation Report for fiscal year 2021, ascertain whether or not JOBS management approved any Extraordinary Expense (as defined in Section 2.1 of the Operations Service Agreement) in an amount greater than 2% of the total Estimated Expenses for the Fiscal Year, individually or 4% of the total Estimated Expenses for the Fiscal Year in the aggregate. If not approved by JOBS, ascertain that JOBS provided DLC with written notice of its disapproval within 20 days of its receipt of DLC's request to make such Extraordinary Expense as evidenced by email correspondence from JOBS.

#### *Results*

We obtained JOBS Annual Reconciliation Report for fiscal year 2021 showing that an Extraordinary Expense totaling \$0 was incurred during the fiscal year. The total Extraordinary Expenses incurred did not exceed 4% of the total estimated expenses for the fiscal year in the aggregate and did not exceed an amount greater than 2% of the total estimated expenses for the fiscal year individually. No further procedures were performed on the disapproval of Extraordinary Expenses as no Extraordinary Expenses were incurred for fiscal year 2021. No exceptions were found as a result of applying the procedure.

### **Procedure 11**

Ascertain whether or not the annual allowance for Extraordinary Expenses in an amount equal to 4% of the total estimated expenses for such fiscal year was paid to DLC by JOBS no later than 15 days after the beginning of the fiscal year as evidenced by the date on the disbursement utilized to pay such amount. If the amount of any Extraordinary Expense permitted or approved under the Sections 2.4(a) or 2.4(b) is above the current balance in the Allowance Fund at DLC, ensure JOBS paid the amount not covered by the funds in the Allowance Fund to DLC no later than 30 days after receipt of written request from DLC as evidenced by the date on the disbursement utilized to pay such amount.

#### *Results*

We recalculated the Extraordinary Expense amount to ascertain that it was equal to 4% of the total estimated expenses by multiplying the total operating expenses of \$19,705,103 per the "State Fiscal Year 2021 Fee Budget" by 4%, which amounted to \$788,204. We inquired of management and ascertained that an annual allowance for Extraordinary Expense of \$6,599 was paid to DLC by JOBS since the prepaid balance at the beginning of the fiscal year was \$781,605. Per correspondence provided by management, DLC did confirm the amount to be paid on July 1, 2020. The payment of the amount was within 15 days of the correspondence from DLC. No exceptions were found as a result of applying the procedure.

### **Procedure 12**

Obtain management's calculation of the Minimum Debt-Service Coverage Ratio.

- (1) Ascertain whether the elements used in the calculation are accurate by comparing the elements to the trial balance as of the date the calculation was prepared.
- (2) Recalculate the Minimum Debt-Service Coverage Ratio and ascertain whether or not it was at least 1.35 as required in Sections 1.1 and 14.5 of the FTA.
- (3) If the Minimum Debt-Service Coverage Ratio of 1.35 is not met, inquire of management if JOBS retained a consultant no later than 30 days after completion of the fiscal year during which the ratio was not met to review, analyze, and make recommendations with respect to revenues, expenses, and operations to DLC.
  - (a) Inspect documentation that a consultant was retained.
  - (b) Ascertain whether or not a written report was submitted to DLC, JOBS, and the State within 60 days of the issuance of the written engagement report.



(4) Obtain a schedule of debt-service requirements from management for fiscal year 2021.

- (a) Ascertain whether or not JOBS paid each debt service amount by tracing to the check or wire transfer and ensuring that the payment was made on or before the debt-service requirement due date.
- (b) If the due date is not a business day, ascertain whether or not the disbursement date was the next business day.

*Results*

We obtained the management prepared document entitled Debt Coverage Statement, which was addressed to the Ohio Office of Budget and Management and the Ohio Department of Commerce. We recalculated the Minimum Debt-Service Coverage Ratio using the trial balance of the audited financial statements, observing the ratio was in excess of 1.35. We agreed the elements of the management's calculation to the trial balance as of June 30, 2021 and confirmed that all elements in the calculation were accurate after rounding to the nearest thousand dollars. As the Minimum Debt-Service Ratio was greater than 1.35, no further procedures were performed as it relates to step (3) of the procedure. We then obtained the debt-service requirement schedule from management that indicated that a total of 9 debt-service payments were required to be paid during fiscal year 2021 amounting to \$98,410,632. The 9 debt-service payments totaling \$98,410,632 were made on the debt-service requirement due date, or the next business day if the due date was not a business day. No exceptions were found as a result of applying the procedure.

# OHIO AUDITOR OF STATE KEITH FABER



## **JOB**SOHIO COMPLIANCE & CONTROL REPORT

### **FRANKLIN COUNTY**

### **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 1/20/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)