

OHIO AUDITOR OF STATE KEITH FABER



December 19, 2023

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 work with the Auditor of State to select a private independent auditor to perform audit engagements of financial statements and 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, 2023. The Auditor of State did not examine the records or books of JobsOhio, 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 ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated in the accompanying Exhibit A to assist in the evaluation of the JobsOhio, JobsOhio Beverage System, and JobsOhio Growth Capital's (collectively, the "Entity") compliance with certain requirements including Chapter 187 of the Ohio Revised Code (collectively referred to as "Compliance Matters") for the year ended June 30, 2023. 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.

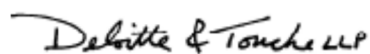
We make no representation regarding the appropriateness of the procedures either for the purpose for which our report has been requested or for any other purpose. Accordingly, this report may not be suitable for either the purpose of which this report has been requested or for any other purpose. The 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 Appendix 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.



December 7, 2023

**AGREED-UPON PROCEDURES FOR COMPLIANCE MATTERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

JobsOhio

Procedure 1

Obtain from management a list of JobsOhio credit card holders and the credit card statements for four months selected randomly during fiscal year 2023. 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 (October 2022, December 2022, March 2023 and June 2023) during fiscal year 2023 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 2023 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 there was not an employee compensation plan approved in the current year. The last compensation plan approval occurred December 14, 2021. We inspected meeting minutes for the executive session of the Board, which evidenced such approval. We randomly selected a sample of 10 employees from the June 23, 2023 payroll register, which was the last payroll pay date of the fiscal year. For the ten sampled employees, we obtained the employee's respective Personnel Action Form 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 2023.

Results

We inspected the minutes of the Board and confirmed that the strategic plan for calendar year 2023 was established on June 1, 2023. 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

We obtained the list of major contracts from management (as defined by the JobsOhio Board) for services recommended by the President and CIO. The nine listed contracts were compared to minutes of the Board and we inspected Board approval for all nine of the contracts. No exceptions were found as a result of applying the procedure.

Procedure 5

ORC 187.01(G) - Obtain from management a listing of disbursements, and the corresponding documentation, made to Board members in fiscal year 2023. 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 of Directors in fiscal year 2023. We inspected the corresponding documentation (invoices and expense reimbursement forms) in order to ascertain the classification of the disbursements. All of the disbursements were classified as travel, lodging, meals, or supplies. No exceptions were found as a result of applying the procedure.

Procedure 6

Obtain the Board minutes for meetings held in fiscal year 2023 and through inspection of the minutes, ascertain whether or not there were any new Board members appointed in fiscal year 2023. 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 2023 and observed there were no new board member appointments. No exceptions were found as result of applying this 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 financial disclosure 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 15, 2023. For those who filed a financial disclosure statement after May 15, 2023, inspect the date of the individual's offer letter to ascertain whether or not the financial disclosure statement was filed within 90 days of employment or a promotion.

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). There was one financial disclosure statement not filed before May 15, 2023 for an employee who was not hired nor promoted during fiscal year 2023, whose extension request was approved by the Ohio Ethics Commission to be filed by June 14, 2023. The individual filed on June 14, 2023. We obtained the file-stamped cover page for all other employees and board members who were required to file. No exceptions were found as result of applying this procedure.

Procedure 8

Obtain the quarterly written reports of expenditures filed with the Ohio Department of Development (“ODOD”) 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, 2022 through June 30, 2023. 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 ODOD 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 – Exception Identified

We obtained the quarterly written reports of expenditures filed with the ODOD 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, 2022 through June 30, 2023. 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 only three 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 ascertained that each reported transaction was supported by management’s Business Rules and supporting documentation for the selections.

Exception 8-1: Per inspection of the client's calculation workbook, the per person amount was calculated per public attendee, which required the amount to be rounded to the nearest cent. Calculating per public attendee and then adding the total of the attendees resulted in the reported expenditures filed with the ODOD being under-reported by five cents as compared to calculating an unrounded per person amount and multiplying by the number of public attendees.

Procedure 9

Obtain Board 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, 2023. 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

We obtained the Board meeting minutes for public meetings where a quorum is required to be physically present under ORC 187.01(F). There were four such meetings held during fiscal year 2023. The minutes were appropriately prepared, filed, and maintained for each of the meetings. The four 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 occurrence. No exceptions were found as a result of applying the procedure.

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, 2022. Ascertain whether or not it was submitted by July 1, 2023 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 2022 Annual Report/2023 Strategic Plan," which details JobsOhio's activities for the year ended December 31, 2022. We obtained and inspected the email correspondence, which transmitted this report to the Governor's office and ascertained that the date of submittal was July 3, 2023. As July 1, 2023 was a Saturday and therefore not a business day, the submission occurred on the next business day, July 3, 2023. Per inspection of email correspondence, the following documents were submitted to the Governor: a) the JobsOhio 2022 Annual Report/2023 Strategic Plan and b) Guide to Supporting Our State's Economic Development. We obtained written representation from management identifying the pages from the report entitled "JobsOhio 2022 Annual Report/2023 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 "Guide to Supporting Our State's Economic Development" 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 ODOD the following designated records described in the contract entered into between JobsOhio and the ODOD to assist the ODOD 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 June 30, 2023, from JobsOhio to the ODOD, 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, 2021, between JobsOhio and the ODOD. 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 ODOD for Procedure 11 (3) above, and compare the amount reported as annual total compensation paid, as defined in ORC 718.01 (R), to the employee's 2022 Form W-2, Box 18. In the event there are multiple lines reported in Box 18 of the employee's 2022 Form W-2, ascertain via discussion with management how the amount reported to the ODOD was calculated. Report any instances where the amount reported to the ODOD does not match.

Results

We obtained the list of officers and employees reported on the ORC 187.04(B)(2) report filed with the ODOD and made a sample of 20 employees. We compared the amount reported as annual total compensation paid to the employee or officer to their respective 2022 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, 2023.

- (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 meetings held during fiscal year 2023. 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 June 23, 2023 for calendar year 2022 and compare it to the JobsOhio economic development incentive projects ("Projects") or arrangements made by JobsOhio taken from the ODOD End-of-Year Report for calendar year 2022. 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 2023. 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 July 24, 2023.

Results

We randomly selected a sample of 10 companies from the OEC Compilation Lists dated June 23, 2023 and compared the company names to the ODOD End-of-Year Report. We identified one Company with an active project(s) or arrangement(s), defined as having received an offer from JobsOhio during the first six months of fiscal year 2023. Therefore, we inspected the OEC letter dated July 24, 2023 and ascertained 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 2023, obtain from the JobsOhio Managing Director, Enterprise Risk 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 ODOD End-of-Year Reports covering the final six months of calendar year 2022. 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 2023, 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 Managing Director, Enterprise Risk, 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 ODOD End-of-Year Reports covering the final six months of calendar year 2022. We identified three Board members or employees who were said to have a de minimis financial or fiduciary interest in an entity that JobsOhio had a Project or arrangement with during fiscal year 2023. 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 ODOD End-of-Year Report covering the last six months of calendar year 2022, randomly select a sample of 20 Projects and provide them to the Managing Director, Enterprise Risk. The Managing Director, Enterprise Risk 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 ODOD End of Year Report which covered the last six months of calendar year 2022. For each of the twenty Projects selected, the JobsOhio Managing Director of Enterprise Risk 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 and identified two projects that were listed on the disclosure list. For the first project, we identified two FDS Filers that were listed as having a financial or fiduciary interest in the identified project that was on the disclosure list. For the second Project, we identified one FDS Filer who was said to have a de minimis financial or fiduciary interest in the entity. We inspected the Conflicts of Interest section of that Project file and ascertained that the interest was denoted therein. 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 2023. 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 payroll register for the last payroll paid in June 2023. Through inspection of an employee listing, ascertain whether or not anyone was hired after the pay period for which the last payroll register of the fiscal year covered and prior to the end of the fiscal year and signed the ethical conduct statement and the gift policy acknowledgements.

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 2023. We compared each of the employees' names (excluding officers that are not also employees) to the head count of the last payroll in June 2023. 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 2023. Through inspection of an employee listing, ascertain whether or not anyone was hired after the pay period for which the last payroll register of the fiscal year covered and prior to the end of the fiscal year and signed the ethical conduct statement and the gift policy acknowledgements.

Results

We obtained the attendance registers or the acknowledgment for the annual courses on ethics (collectively “training records”) for all 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 2023. Through inspection of the employee listing dated June 30, 2023, we ascertained that there were no employees hired after the last payroll date of the fiscal year through June 30, 2023. No exceptions were found as a result of applying this 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, 2022 through June 30, 2023, 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 Vibrant Community Grant, one JobsOhio Growth Fund Loan, one JobsOhio Revitalization Loan, one JobsOhio Speculative Development Loan-OSIP.

- (1) Through inspection of the notes of the twice weekly JO/ODOD Project Review meetings in the CRM (“JO/ODOD 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/ODOD Project Review meeting notes, ascertain whether or not the leadership of both JobsOhio (at least three of the following: Senior and other Managing Directors, and/or General Counsel) and ODOD (the Director, Assistant Director, and/or Chief of the Business Services Division or designee) was in attendance at the JO/ODOD 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/ODOD Meetings and provided the meeting agendas to ODOD. If the project only had a JO incentive, ODOD would not be in attendance at the JO/ODOD Project Review Meeting.
- (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/ODOD Project Review meeting. Report the number of grants/loans selected where:

- (a) an offer letter was issued before the review at a JO/ODOD 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 or Vibrancy Grants.
- (7) JobsOhio requires the creation of jobs or other metrics 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/ODOD 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, Speculative Development Grants and Speculative Development Loans.

Results – Exception Identified

We selected one sample for each of the following project categories for a total of 11 selections: JobsOhio Economic Development Grant, JobsOhio Workforce Grant, JobsOhio Research and Development Grant, JobsOhio Revitalization Grant, JobsOhio Phase II Grant, JobsOhio Inclusion Grant, JobsOhio Speculative Development Grant - OSIP, JobsOhio Vibrant Community Grant, JobsOhio Growth Fund Loan, JobsOhio Revitalization Loan, and JobsOhio Speculative Development Loan - OSIP. We inspected the notes of the JO/ODOD Project Review Meetings and noted for 10 of the selections, the projects were discussed at least one of the meetings and that the appropriate personnel from management and ODOD were present when required. For the Phase II grant, the project was not approved by the JobsOhio Managing Director of Projects. See exception 21(2)-1. We obtained the original offer letters from management and ascertained that all letters were dated after the corresponding JO/ODOD Project Review meetings and that all applications were submitted after the original offer letters. We inspected the Project record and ascertained that all loans selected were reviewed by the loan review committee. Through inspection of the agenda, we ascertained that all grants/loans, except for the Inclusion Grant, were reviewed by the Independent Review Panel. We compared the most recent approved MEvD change to the MEvD reported within the project record and ascertained that all changes were properly approved. We inspected the project description and ascertained that no selections had an identified industry cluster for retail and/or "other population driven businesses" as defined in the procedure. Finally, we inspected the project record to ascertain that the hourly rate of the jobs committed to be created was above 150% of the federal minimum wage. No other exceptions were found as a result of applying the procedures for the remaining 10 selections.

Exception 21(2)-1: For the Phase II grant, the project was approved by the Director of Project Management rather than the Managing Director of Projects. Per inspection of the Project Approval flow, the Director of Project Management may take the place of the Managing Director of Projects when he or she is unavailable.

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 five years or the project record contained evidence of job creation prior to five 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 was not 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 Vibrant Community Grant selected in Procedure 21:

- (1) Obtain the executed grant agreement and:
 - (a) Ascertain whether or not through inspection of the CRM, the grant was awarded to an eligible applicant and project as outlined in the Board Guidelines;
 - (b) compare the eligible end-use in the executed grant agreement to the ones outlined in the Board Guidelines for the program. If an end-use included in the executed grant agreement is not listed as eligible in the Board Guidelines, inspect the Project records for and identify documentation confirming that inclusion of the end-use was approved by the board or its designee as identified by management; and
 - (c) ascertain whether or not through inspection of the CRM, the grant was awarded to one of the 98 communities identified by JobsOhio as a distressed community (as outlined in the Board Guidelines for the program).
- (2) Ascertain whether or not, by inspection of the executed grant agreement, the grant exceeded \$2 million and exceeded 50% of eligible costs unless authorized by JobsOhio President/CIO.

Results

For the JobsOhio Vibrant Community Grant 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 (as outlined in the Board Guidelines for the program). We compared the eligible end-use in the executed grant agreement to the ones outlined in the Board Guidelines and ascertained that the executed grant agreement did not include ineligible end-uses. Further, through inspection of the CRM, we observed that the grant was awarded to an applicant, who was included in one of the 98 distressed communities, per the Board Guidelines. We observed that the grant did not exceed \$2 million dollars and did not exceed 50% of the total project costs. 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 one Growth Fund Loan selected was within the typical range of \$500,000 to \$5,000,000. For the one 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 ten percent (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 this 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

For the Revitalization Loan selected in Procedure 21, we obtained the executed loan agreement and performed each of the aforementioned procedures. We inspected the loan agreement to ascertain that it required at least 20 jobs created and/or retained. We inspected the Project records and identified the evidence that the borrower holds title for the Project site. We inspected the loan agreement to ascertain that it includes one or more eligible costs (as outlined in the Board Guidelines for the program). We ascertained that the loan amount was within the typical dollar amount of the range and was inside the 20% and 75% of eligible costs. We ascertained that the loan was within the typical range of between ten and fifteen years.

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

For the JobsOhio Speculative Development Loan-OSIP selected in procedure 21, we obtained the executed loan agreement to ascertain that it was awarded to an eligible applicant and project as outlined in the Board Guidelines for the program. Per inspection, the executed loan agreement included one or more eligible costs as outlined by the Board Guidelines for the program. Therefore, we did not inspect the most recent term sheet. We ascertained through inspection of the loan agreement that it was within the typical range and did not exceed 50% of the total project costs. No exceptions were found as a result of applying the procedure.

Procedure 33

From the loans selected in Procedure 21, randomly select one reimbursement request paid during fiscal year 2023, if any, and 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 2023, 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

For each of the three loans selected in Procedure 21, we selected one fiscal year 2023 reimbursement, unless there were none, and performed each of the aforementioned procedures. We observed that two out of the three loans selected did not have any disbursements paid during fiscal year 2023. For the remaining loan selection, we randomly selected one reimbursement request paid during fiscal year 2023 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 Chief Financial Officer, or designee, approved the reimbursement prior to

disbursement of funds. There was no deficiency reimbursements for the disbursement selected. No exceptions were found as a result of applying this procedure.

Procedure 34

From the grants selected in Procedure 21, randomly select one reimbursement request paid during fiscal year 2023, 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,
- (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 – Exception Identified

For each of the eight grants selected in Procedure 21, we selected one fiscal year 2023 reimbursement, unless there were none, and performed each of the aforementioned procedures. We observed that five out of the eight grants selected did not have any disbursements paid during fiscal year 2023. For the three grant selections with reimbursement, we randomly selected one reimbursement request paid during fiscal year 2023. For all three reimbursement selections, we ascertained through inspection of the project records that the source documentation was greater to or equal to the disbursement amount. For one request from the grant selections, the executed agreement program was a disbursement-based request and not a reimbursement request, therefore, the grantee was not required to include Metric updates. For one request from the grant selections with reimbursement requests, the grantee did not include Metric updates with their reimbursement request as it was not required by the Board-approved Guidelines. The remaining one grant selection with reimbursement requests had Metric updates included within the reimbursement request prior to its approval. For all three reimbursement selections, both a staff member and Chief Financial Officer, or designee, approved each reimbursement prior to disbursement of funds. For all three reimbursement selections, there was no deficiency reimbursements for either of the disbursements selected.

Exception 34(2)-1: For one of the grant selections with reimbursement requests, the grantee did not include Metric updates with their reimbursement request. Per inspection of the grant agreement and related Board-approved Guidelines, however, this project did not require the grantee to submit Metric

updates prior to approval. Another grant from the grant selections was disbursement-based and so the procedure for review of a reimbursement request was not applicable.

Procedure 35

Obtain from management a list of all Projects approved to participate in the JobsOhio Rapid Deployment Initiative (JORDI) that had an outstanding requirement as of July 1st, 2021, and 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, 2023;
- (2) If supporting documentation was not received by June 30, 2023, ascertain whether or not JobsOhio approved an extension or took action.

Results

We obtained a list of all Projects approved to participate in JobsOhio Rapid Deployment Initiative that still had an outstanding requirement as of July 1st, 2021 and selected one loan and one grant to perform the aforementioned procedures. Through inspection of the project record, we ascertained that the Company provided supporting documentation for the original JORDI reimbursement request prior to June 30, 2023. No exceptions were found as a result of applying this procedure.

Procedure 36

From the JobsOhio Monthly Executed Agreement Reports covering the period January 1, 2022 through December 31, 2022, 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, 2023.
- (2) If an annual report was received later than March 1, 2023, by inspection of the Project records, note the date the report was received and if an extension had been approved by the Director, Project Performance.

Results

We obtained the JobsOhio Monthly Executed Agreement Reports covering the period January 1, 2022, through December 31, 2022, and selected a sample of one loan and one grant. We performed each of the aforementioned procedures for the grant and loan selected. For both selections, we observed through the Project records in the CRM that an annual report was submitted to JobsOhio no later than March 1, 2023. No exceptions were found as a result of applying the procedure.

Procedure 37

Obtain from management a list of all Projects that reached their MEvD on December 31, 2022 (“2022 MEvD List”). Of the non-Phase II JobsOhio Projects with a MEvD of December 31, 2022, 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 2022.
- (2) If the company did not submit an Annual Report for calendar year 2022, 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, 2022 and made a random selection of a non-Phase II Project. As the selected project submitted an Annual Report for calendar year 2022 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 Project 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 2022 MEvD List, excluding Phase II Grants, select a random sampling of 15 of the Projects listed, and inspect the Annual Report submitted for calendar year 2022 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) Ascertain whether or not the Project was selected by JobOhio's Project Performance Team to go to PPRT or through a Project Change Request (PCR), and that the determination made by the Project Performance Team was consistent with the JobsOhio Decision Matrix for these projects.
- (4) If selected to go before PPRT:
 - (a) Inspect the PPRT meeting notes in the Project record to ascertain whether or not the Project was on the PPRT meeting agenda for discussion.
 - (b) 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.
- (5) If selected to go through a PCR:
 - (a) Inspect the PCR notes to ascertain whether or not the Project had input provided.
 - (b) Inspect the PCR in the Project record to ascertain what was decided, and whether the decision was acted on through the date of the Agreed-Upon Procedures report

Results

We selected 15 projects from the 2022 MEVD list and inspected the 2022 Annual Reports for all of the projects selected. Of those projects selected, 11 projects had met all their metrics while four of the Projects did not meet at least 1 of their metrics. We then performed each relevant aforementioned procedures for those four projects. We inspected the project records and observed that all four projects that missed at least one of their metrics provided an explanation of the shortfall and that JobsOhio documented its follow up with the company. Of the four projects that did not meet at least one performance metrics, all four of them went through the project change request (PCR). For the 4 aforementioned projects, we ascertained that the determination made by the Project Performance Team was consistent with the JobsOhio Decision Matrix for these projects. For the four projects that went through PCR we inspected the project record to ascertain there was input provided and the decision was acted upon through the date of the Agreed-Upon Procedures report. No exceptions were found as a result of applying the procedure.

Procedure 40

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

- (1) 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.
- (2) 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. We selected one random disbursement request 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 the disbursement was approved by both a staff member and CFO or designee prior to the disbursement of funds. No exceptions were found as a result of applying this procedure.

Procedure 41

Randomly select a sample of 20 expenditures, excluding grants and loans, which are not credit card or payroll transactions, from a detailed listing of expenditures for fiscal year 2023.

- (1) Obtain the related documentation, which may include an invoice from the vendor
- (2) Report any selected expenditures for which the documentation evidences the expenditure was not related to JobsOhio's nonprofit purpose as stated in Article III of the Amended and Restated Articles of Incorporation filed with the Ohio Secretary of State, dated October 21, 2013
- (3) Within the expense management software system (EMSS) used by JobsOhio, ascertain whether or not there were two different approvals from employees listed on a compilation of authorized approvers, as provided by JobsOhio.

Results

We randomly selected 20 expenditures from the detailed listing of expenditures for fiscal year 2023 provided by management. We inspected the supporting documentation and did not observe evidence that was not related to JobsOhio's nonprofit purpose. For the 20 expenditures selected, we obtained a screenshot of the approval flow within EMSS that contained two different approvals including a member of the leadership team. 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/PCR (3)	Decision (4)	Decision Acted On (4)
Company 1	Original										
	Amended										
	Reported										
Company 2	Original										
	Amended										
	Reported										
Company 3	Original										
	Amended										
	Reported										
Company 4	Original										
	Amended										
	Reported										

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

Exhibit A for JobsOhio Procedure 39

	Commitments	JC	JCP	JR	JRP	TFAI	Company Explained Variance (1)	JO Follow Up (2)	Went to PPRT / PCR (3)	Decision (4)	Decision Acted On (4)
Company 1	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	276.32%	491.20%	100%	100%	35%					
Company 2	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	347.62%	776.61%	100%	100%	79%					
Company 3	Original	Y	Y	-	-	Y	Y	Y	Y	Y	Y
	Amended										
	Reported	-55%	-36.38%	-	-	3%					
Company 4	Original	Y	Y	Y	Y	-					
	Amended										
	Reported	161.67%	171.93%	100%	100%	-					
Company 5	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	123.17%	167.35%	100%	100%	60%					
Company 6	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	145.83%	293.69%	100%	100%	14%					

Company 7	Original	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Amended										
	Reported	0%	187.81%	-10.53%	100%	36%					
Company 8	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	39%	309.86%	100%	100%	29%					
Company 9	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	840.43%	7402.44%	100%	100%	18%					
Company 10	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	72.16%	261.42%	100%	100%	4%					
Company 11	Original	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Amended										
	Reported	-12.12%	-17.96%	100%	100%	-23%					
Company 12	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	421.43%	668.67%	100%	100%	238%					
Company 13	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	88.40%	532.41%	100%	100%	17%					
Company 14	Original	Y	Y	-	-	Y					
	Amended										
	Reported	35%	13.21%	-	-	23%					

Company 15	Original	Y	Y	-	-	Y	Y	Y	Y	Y	Y
	Amended										
	Reported	-76%	-88.29%	-	-	100%					

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, 2023, 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, 2023 which showed an overpayment of actual ordinary operating expenses of \$5,753,979.42. This balance was credited to the Q2 amount, leaving a balance remaining of \$608,223.92 to be credited against Q3. No additional payment was made for Q2. No exceptions were found as a result of applying the procedure.

Procedure 3

Obtain a listing of liquor tax payments made during fiscal year 2023 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 fifth 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 fifth or 20th days of the calendar month or the first business day 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 2023. No exceptions were found as a result of applying the procedure.

Procedure 5

For a randomly selected sample of six weeks during fiscal year 2023, 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 six 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 2023, the base amount is \$346,058,468.) 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.

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 \$485,081,756. The profits exceeded the base franchise profits of \$346,058,468 by \$139,023,288. We recalculated the supplemental payment of \$104,267,466 by multiplying the excess profit of \$139,023,288 by 75%. We also obtained the JOBS’ bank statement for August 2023 and observed that the payment of \$104,267,466 was made on August 29, 2023. 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, 2023.
- (2) Within 60 days of the close of each March 31, June 30, October 30, and December 31, commencing June 30, 2023, 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 2023.
- (3) Within 120 days of the close of each fiscal year, commencing June 30, 2023, 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 2023.

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

Ascertain through inquiry of JOBS management and OBM management whether or not JOBS received reimbursement from the State of Ohio in FY 2023 for PPE purchases that were direct shipped to the Ohio Department of Health for intake and distribution during the COVID-19 pandemic.

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 9

Inquire of management if any changes or amendments were made to the conflicts of interest policy of JOBS during fiscal year 2023. If so, inspect action of the JOBS Board of Directors (“JOBS Board”) evidencing formal adoption and approval.

Results

We inquired with management and did not identify any changes in the conflicts of interest policy. No exceptions were found as a result of applying the procedure.

Procedure 10

Ascertain whether or not JOBS paid DLC the Estimated Expense Payment identified in the Expense Budget document covering fiscal year 2023 no later than the first business day of each quarter as evidenced by the date on the disbursement utilized to pay such amounts.

Results

We obtained the check copies dated; 7/1/2022, 10/3/2022, 1/3/2023 and 4/3/2023, which paid the Estimated Expense Payment identified in the Expense Budget document. We confirmed that each check was dated for the first business day of each quarter and the amount of each check agreed to the Expense Budget document for the respective quarter. We observed that total amount paid for the quarter beginning October 1, 2022 was net of the fiscal year 2022 overpayment, as determined by DLC. No exceptions were found as a result of applying the procedure.

Procedure 11

Through inquiry and inspection of service fees, ascertain whether or not any Capital Expenditures (as defined in Section 2.1 of the Operations Service Agreement) occurred. Inquire of management and inspect documentation that the Capital Expenditures were necessary and appropriate for the improvement of the services or operation of the liquor business and were approved by JOBS.

Results

We inquired of JOBS’ management and were informed that no Capital Expenditures (as defined in Section 2.1 of the Operations Service Agreement) occurred. We also inspected the annual service fee summary and observed no capital expenditures were incurred during fiscal year 2023. No exceptions were found as a result of applying the procedure.

Procedure 12

Through inquiry of management, ascertain whether JOBS provided DLC with a written copy of any proposed new vendor contract for the operation of the liquor business. Inspect all contracts identified and ascertain whether notification occurred no later than 30 days prior to the effective date of such new vendor contract.

Results

We inquired with management and were informed that there were no new vendor contracts for the operation of the liquor business in fiscal year 2023. Therefore, no further procedures were performed. No exceptions were found as a result of applying this procedure.

Procedure 13

Inquire of management and through inspection of documentation ascertain whether or not JOBS provided to DLC:

- (a) unaudited, interim financial statements no later than 30 days after their preparation, defined as the date of the independent accountants' review report; and
- (b) audited financial statements no later than 90 days after the end of the fiscal year.

Results

We inquired of JOBS' management and obtained the email correspondence that for the quarters ended September 30, 2022, December 31, 2022, and March 31, 2023, the unaudited interim financial statements were submitted to DLC within 30 days of the independent accountants' review report and for the year ended June 30, 2023, the audited financial statements were submitted to the DLC within 90 days of the end of the fiscal year. No exceptions were found as a result of applying the procedure.

Procedure 14

Obtain from management a listing of all sales tax payments by JOBS to the Ohio Treasurer of State (OTS). Randomly select a sample of 10 payments and provide the payment dates and amounts to the DLC. For each payment, obtain from DLC management a written representation as to whether or not the OTS's receipt of the payment in the OTS's State Bank Account for Taxation was, within 30 days of the date of payment, observed by DLC management using the Web portal provided by Key Bank. Obtain from the DLC copies of the bank transaction receipt for each such payment.

Results

We obtained a listing of all tax payments. We randomly selected a sample of ten tax payments to apply the above procedure. We obtained a written representation from DLC management which positively confirmed that the OTS's receipt of the payment in the OTS's State Bank Account for Taxation was within 30 days of the date of payment for all ten sample items. We also requested from DLC copies of the bank

transaction receipt for each of the 10 selections. No exceptions were found as a result of applying the procedure.

JobsOhio Growth Capital (JOGC)

Procedure 1

Obtain from management a list of all Projects for which there is an executed agreement for the JobsOhio Growth Capital Program. 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) Ohio based candidate company or out of state candidate company agreeing to locate or maintain a meaningful base of operations in Ohio.
 - (b) JO will not provide more than 20% of an investment round and will not own in aggregate more than 20% of any individual investment.
 - (c) Qualified Venture Sponsor must bring the candidate company for investment consideration. A Qualified Venture Sponsor is an investment firm or institution that makes direct investments professionally.
 - (d) Qualified Venture Sponsor must be willing to commit at least a 1:1 match to the JOGC investment. JOGC may consider the aggregation of funds from more than one Venture Sponsor as the match requirement, not to exceed \$2 million.
 - (e) Candidate must have already received significant previous financing.
- (2) Ascertain whether or not, by inspection of the Project record, two or more JobsOhio employees selected the companies to participate in this program.
- (3) Ascertain whether or not, by inspection of the Project Record, that:
 - (a) JOGC funding was allocated to companies via Convertible Debt or Direct Equity investments; and
 - (b) JOGC followed their established allocation process [rolling request and submission process] outlined in the program guidelines.
- (4) 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 executed agreement.
- (5) 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.

- (6) Ascertain whether or not, by inspection of the Project Record, if the Company submitted the required materials outlined in the program guidelines and terms of agreement.

Results

We obtained from management a list of all Projects for which there is an executed agreement for JobsOhio Growth Capital Program and made three project selections. We inspected the project record and ascertained that each company met the criteria outline in the aforementioned procedure to qualify for the program, that two or more JobsOhio employees selected the companies to participate in the program, and that JOGC funding was allocated to the three selections via Direct Equity and that each disbursement followed the relevant program guidelines. We selected three disbursements and ascertained that the funds were disbursed after the agreement was executed and the amount of the request did not exceed the total amount of the executed agreement. Upon inspection of the disbursements both a staff member and the Chief Financial Officer or designee approved each disbursement request prior to the disbursement of funds. We ascertained, by inspection of the project record, that all companies submitted the required materials outlined in the program guidelines. No exceptions were found as a result of applying this procedure.

OHIO AUDITOR OF STATE KEITH FABER



JOBSOHIO 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 12/19/2023

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