OHIO DEPARTMENT OF DEVELOPMENT
ECONOMIC DEVELOPMENT AWARDS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE PERIOD ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
StateRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Department of Development
77 South High Street, 29th Floor
Columbus, OH 43215

We have performed the procedures enumerated below as required by Ohio Rev. Code § 117.55, on the Ohio Department of Development's (the Department) state awards for economic development with closeout dates recorded in the cash basis accounting records for the period July 1, 2022 through June 30, 2023, and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Department. The Department was responsible for the listing of state awards for economic development with closeout dates recorded in the cash basis accounting records for the period July 1, 2022 through June 30, 2023, and certain compliance requirements related to these transactions and balances included in the information provided to us by the Department.

Management of the Department has agreed to and acknowledged that these procedures are appropriate to meet the requirements of Rev. Code § 117.55 to evaluate state awards for economic development with closeout dates recorded in the cash basis accounting records for the period July 1, 2022 through June 30, 2023, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. These procedures may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedure 1

A. On August 9, 2023, we obtained from the Department an excel spreadsheet listing each state award for economic development whose performance period ended during the engagement period (July 1, 2022 through June 30, 2023). This listing was to include, at a minimum, the program name and number, the beneficiary/borrower name, the program type (if applicable), the closeout year, and any other required information for each award listed. All required information was included on the listing. See Procedure 1.E. below for the list.

B. We inspected the list to confirm the required information was included for each award listed. If information was missing, we were to provide the Department with the specifics needed and obtain the additional information for the list. All required information was included.

C. For each award recipient on the list, we obtained the following from the Department, without exception:

1. The agreements and any applicable amendments which document the required terms and conditions of the award, including performance metrics.
2. The annual report submitted by the award recipients during the engagement period.

D. Using the documents obtained in 1.C. above, we confirmed both the required and reported applicable performance metrics for each award.

E. We compared the performance metrics reported in the annual report to the required performance metrics from the agreements, as modified. We calculated the percentage of compliance for each award, as reported in the table below. Those under 100% for any metric (37 of 66 Job Creation Tax Credits and 12 of 17 Loans; N/A for Grants) were noncompliant.

Closeout List					**Compliance %**		***Compliant***
	Beneficiary/Borrower Name	Program Name	Program Type	Closeout Year	**Job**	**Pay**	
GRANTS							
1	Bellefontaine, City of	ODSA-GR-2018-38330	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
2	Blue Ash, City of	ODSA-GR-2018-35548	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
3	Cincinnati Center City Development Corporation	ODSA-GR-2020-48418	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
4	Community Improvement Corporation of Springfield and Clark County, Ohio	ODSA-GR-2019-40743	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
5	Groveport, City of	ODSA-GR-2019-39838	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
6	Guernsey County Port Authority	ODSA-GR-2020-47562	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
7	Hebron, Village of	ODSA-GR-2019-40953	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
8	Ironton, City of	ODSA-GR-2019-39694	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
9	Lawrence County Port Authority	ODSA-GR-2020-42771	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
10	Lancaster, City of	ODSA-GR-2019-38877	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
11	Marion County	ODSA-GR-2020-42540	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
12	Marysville, City of	ODSA-GR-2020-42996	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
13	Maumee Valley Planning Organization	ODSA-GR-2019-39666	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
14	Mercer County	ODSA-GR-2018-36429	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
15	Morrow County Board of Commissioners	ODSA-GR-2018-35964	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		

Closeout List					**Compliance %**		***Compliant***
	Beneficiary/Borrower Name	Program Name	Program Type	Closeout Year	**Job**	**Pay**	
GRANTS (CONTINUED)							
16	New Albany, City of	ODSA-GR-2017-30498	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
17	New Bremen, Village of	ODSA-GR-2018-38195	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
18	Ottawa County Engineer's Office	ODSA-GR-2019-39689	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
19	Port Authority of Allen County	ODSA-GR-2019-40643	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
20	Toledo, City of	ODSA-GR-2019-39767	Roadwork Development (629) Grant	2022	N/A - Roadwork Dev. Grants do not contain commitments.		
LOANS							
1	100 Kurzen, Ltd.	ODSA-LN-2019-38736	Regional 166 Direct Loan	2022	0%	N/A	***N***
2	1400 Vine, LLC	ODSA-LN-2020-41952	166 Direct Loan	2022	0%	N/A	***N***
3	BEF Enterprises, LLC	ODSA-LN-2018-37973	Regional 166 Direct Loan	2022	89%	N/A	***N***
4	Be Ohio Proud, LLC	ODSA-LN-2018-34629	Regional 166 Direct Loan	2022	150%	N/A	*Y*
5	Bloom Land Company, LLC	ODSA-LN-2018-38363	Regional 166 Direct Loan	2022	61%	N/A	***N***
6	Confluence Community Authority	ODSA-LN-2020-47910	166 Direct Loan	2022	0%	N/A	***N***
7	Eric L Walls Trust	ODSA-LN-2017-31306	Regional 166 Direct Loan	2022	71%	N/A	***N***
8	Millman Real Estate Holdings LLC	ODSA-LN-2019-39725	Regional 166 Direct Loan	2022	650%	N/A	*Y*
9	NanoSperse, LLC	ODSA-LN-2018-34251	Regional 166 Direct Loan	2022	57%	N/A	***N***
10	Nosterra, LLC	ODSA-LN-2018-34172	Regional 166 Direct Loan	2022	120%	0%	***N***
11	Ohio City Legacy, LLC	ODSA-LN-2019-39701	166 Direct Loan	2022	286%	234%	*Y*
12	Ohio Utilities Protection Service	ODSA-LN-2016-20708	Regional 166 Direct Loan	2022	83%	N/A	***N***
13	SDCAC Properties, LLC	ODSA-LN-2016-23035	Regional 166 Direct Loan	2022	0%	N/A	***N***
14	Spradlin Brothers Welding Company	ODSA-LN-2018-38565	Regional 166 Direct Loan	2022	67%	107%	***N***
15	TBT Investments, LLC	ODSA-LN-2017-31937	Regional 166 Direct Loan	2022	96%	N/A	***N***
16	Thomas Steel, Inc.	ODSA-LN-2016-26036	Regional 166 Direct Loan	2022	107%	N/A	*Y*
17	West End Ventures LLC	ODSA-LN-2019-40198	166 Direct Loan	2022	136%	159%	*Y*
JOB CREATION TAX CREDITS (JCTC)							
1	AAG Glass, LLC	ODSA-TI-2018-37894	JCTC	2022	30%	34%	***N***
2	Ace Hardware Corporation	ODSA-TI-2018-36350	JCTC	2022	151%	169%	*Y*
3	AHEAD, Inc.	ODSA-TI-2019-38763	JCTC	2022	19%	69%	***N***
4	Amazon.com Services, Inc.	ODSA-TI-2018-38309	JCTC	2022	218%	117%	*Y*
5	American Regent, Inc.	ODSA-TI-2017-32112	JCTC	2022	101%	125%	*Y*

Closeout List					**Compliance %**		***Compliant***
	Beneficiary/Borrower Name	Program Name	Program Type	Closeout Year	**Job**	**Pay**	
JCTC (CONTINUED)							
6	Amify, Inc.	ODSA-TI-2019-40068	JCTC	2022	45%	31%	***N***
7	ATS Ohio, Inc.	ODSA-TI-2019-38626	JCTC	2022	161%	131%	*Y*
8	Beam Technologies, LLC	ODSA-TI-2019-39245	JCTC	2022	124%	159%	*Y*
9	Brightedge Technologies, Inc.	ODSA-TI-2019-40058	JCTC	2022	70%	55%	***N***
10	BWXT Nuclear Operations Group, Inc.	ODSA-TI-2018-37910	JCTC	2022	121%	124%	*Y*
11	Callibrity Solutions, LLC	ODSA-TI-2019-40670	JCTC	2022	49%	60%	***N***
12	Candid Care Co.	ODSA-TI-2018-37752	JCTC	2022	65%	106%	***N***
13	Case Farms Processing, Inc.	ODSA-TI-2019-40691	JCTC	2022	143%	183%	*Y*
14	Central Machinery Company, LLC	ODSA-TI-2018-34033	JCTC	2022	84%	83%	***N***
15	Checkpoint Surgical, Inc.	ODSA-TI-2020-41419	JCTC	2022	45%	104%	***N***
16	City Barbeque, LLC	ODSA-TI-2019-39361	JCTC	2022	128%	176%	*Y*
17	Coastal Ridge Real Estate Partners, LLC	ODSA-TI-2019-39842	JCTC	2022	103%	138%	*Y*
18	Colgate-Palmolive Company	ODSA-TI-2020-47560	JCTC	2022	91%	89%	***N***
19	Complion, Inc.	ODSA-TI-2019-39678	JCTC	2022	0%	0%	***N***
20	Cornerstone Research Group, Inc.	ODSA-TI-2019-40127	JCTC	2022	25%	38%	***N***
21	CPP-Cleveland, Inc.	ODSA-TI-2019-39680	JCTC	2022	82%	92%	***N***
22	CPS Solutions, LLC	ODSA-TI-2020-42361	JCTC	2022	248%	26%	***N***
23	Crocs, Inc.	ODSA-TI-2019-38852	JCTC	2022	651%	931%	*Y*
24	Crown Equipment Corporation	ODSA-TI-2018-38194	JCTC	2022	95%	110%	***N***
25	Design Within Reach, Inc.	ODSA-TI-2018-37778	JCTC	2022	0%	0%	***N***
26	Dollar Tree Distribution, Inc.	ODSA-TI-2018-35963	JCTC	2022	87%	120%	***N***
27	Engage Holdings, LLC	ODSA-TI-2020-42360	JCTC	2022	133%	115%	*Y*
28	Ensemble HP, LLC	ODSA-TI-2017-32151	JCTC	2022	112%	136%	*Y*
29	Essilor Laboratories of America, Inc.	ODSA-TI-2019-40663	JCTC	2022	140%	182%	*Y*
30	Everstream Solutions, LLC	ODSA-TI-2018-38355	JCTC	2022	70%	82%	***N***
31	Fund That Flip, Inc.	SFPR_2017_4180736	JCTC	2022	102%	272%	*Y*
32	Hagerty Insurance Agency, LLC	ODSA-TI-2020-42106	JCTC	2022	61%	65%	***N***
33	Henny Penny Corporation	ODSA-TI-2019-40043	JCTC	2022	138%	155%	*Y*
34	Hims Health and Wellness (Hims, Inc.)	ODSA-TI-2019-39779	JCTC	2022	12%	20%	***N***
35	HP Pelzer Automotive Systems, Inc.	ODSA-TI-2020-42637	JCTC	2022	124%	74%	***N***
36	IMCD US, LLC	ODSA-TI-2019-38857	JCTC	2022	127%	125%	*Y*
37	InfoTrust, LLC	ODSA-TI-2019-38772	JCTC	2022	145%	159%	*Y*
38	Kohl's Department Stores, Inc.	ODSA-TI-2018-38189	JCTC	2022	95%	126%	***N***
39	McKesson Corporation	ODSA-TI-2019-39253	JCTC	2022	98%	117%	***N***
40	Mercy Health	ODSA-TI-2019-39379	JCTC	2022	135%	98%	***N***
41	Midmark Corporation	ODSA-TI-2020-41351	JCTC	2022	101%	116%	*Y*
42	Modula, Inc.	ODSA-TI-2019-38864	JCTC	2022	101%	160%	*Y*
43	Morgan Truck Body, LLC	ODSA-TI-2019-38622	JCTC	2022	149%	200%	*Y*
44	Northwest Bank	ODSA-TI-2019-40728	JCTC	2022	146%	309%	*Y*
45	Online.Cars, LLC	ODSA TI-2019-39831	JCTC	2022	77%	72%	***N***

Closeout List					**Compliance %**		***Compliant***
	Beneficiary/Borrower Name	Program Name	Program Type	Closeout Year	**Job**	**Pay**	
JCTC (CONTINUED)							
46	O'Reilly Auto Enterprises, LLC	ODSA-TI-2018-37324	JCTC	2022	101%	102%	*Y*
47	Outerbox Solutions, Inc.	ODSA-TI-2019-39863	JCTC	2022	98%	115%	***N***
48	Piping Rock Health Products, LLC	SFPN_2017_436943-NA	JCTC	2022	103%	112%	*Y*
49	Remesh Inc.	ODSA-TI-2020-42362	JCTC	2022	0%	0%	***N***
50	RhinoSystems, Inc.	ODSA-TI-2018-37325	JCTC	2022	91%	89%	***N***
51	Rochling Glastic Composites, LP	ODSA-TI-2019-39681	JCTC	2022	78%	86%	***N***
52	Rushmore Financial Services, LLC	ODSA-TI-2019-39667	JCTC	2022	57%	108%	***N***
53	ScriptDrop, Inc.	ODSA-TI-2019-40697	JCTC	2022	81%	73%	***N***
54	Sidecat, LLC	ODSA-TI-2017-30500	JCTC	2022	198%	420%	*Y*
55	Silfex, Inc.	ODSA-TI-2017-30568	JCTC	2022	121%	209%	*Y*
56	Swagelok Manufacturing Company, LLC	ODSA-TI-2018-37848	JCTC	2022	82%	100%	***N***
57	The Fremont Company	ODSA-TI-2018-36430	JCTC	2022	107%	103%	*Y*
58	The NOCO Company	ODSA-TI-2019-39801	JCTC	2022	111%	111%	*Y*
59	TREVES, Inc.	ODSA-TI-2017-32141	JCTC	2022	0%	0%	***N***
60	Tyler Technologies, Inc.	ODSA-TI-2019-38728	JCTC	2022	80%	75%	***N***
61	United Candle Company, LLC	ODSA-TI-2019-39434	JCTC	2022	0%	0%	***N***
62	Univar Solutions USA, Inc.	ODSA-TI-2019-39368	JCTC	2022	148%	139%	*Y*
63	Walgreen Co.	ODSA-TI-2018-35058	JCTC	2022	88%	106%	***N***
64	Wal-Mart Associates, Inc.	ODSA-TI-2019-39244	JCTC	2022	121%	175%	*Y*
65	Xariable, Inc.	ODSA-TI-2020-41923	JCTC	2022	93%	181%	***N***
66	Youngstown Tool and Die Company, LLC	ODSA-TI-2019-38623	JCTC	2022	63%	76%	***N***

Note: For Roadwork Development grants, outside of completing the roadwork project, contract language for these awards do not require commitments such as job creation or retention. Instead, they contain aspirational commitments. Annual report submissions do not require disclosure of aspirational commitment progress. Project status is evaluated from project updates with grantee and review of the reimbursement request details, which are typically at the end of the project.

Procedure 2

A. We sorted the list obtained in Procedure 1 by type of economic development awards provided (the three types are Grants, Loans, and Tax Credits). We identified 105 total awards comprised of 68 Tax Credits, 20 Grants, and 17 Loans. See the listing in Procedure 1.E. above.

B. We selected awards recipients equal to 10% of the items from each award type category, which resulted in a sample less than 20 awards. Therefore, we selected additional awards from each category resulting in a sample of 13 Tax Credits, four Grants, and three Loans for a total sample size of 20. However, during testing over the Tax Credits, we determined one of the Tax Credits' closeout year had been extended which resulted in the Tax Credit being removed from the sample. An additional Tax Credit was not selected for testing due to timing, therefore, we proceeded with an overall sample of 19. Furthermore, through discussion with the Department, two Tax Credits should not have been included in the population due to their closeout years being extended to future years, reducing the population to 66 Tax Credits. See Procedure 3.A. through 3.C. below for the related sample items.

C. We obtained from each selected award recipient the necessary documentation to support the performance metrics they reported in their annual report submitted to the Department. All required documentation was provided, except for the three Loan recipients, as noted in procedure 3.B. below and one JCTC recipient, as indicated in the table for procedure 3.C. below.

Procedure 3

We inspected the supporting documentation obtained from the award recipients selected in Procedure 2 to confirm the following, based on the applicable award type (as listed below), and agreed the information to the annual report:

A. Grants (including Roadwork Development)

Closeout List			*Agreement & Amendments*		
			Job Commitments		
	Beneficiary/Borrower Name	Program Type	Created	Retained	Loan/Grant Amount
1	Blue Ash, City of	Roadwork Development (629) Grant	1,100	480	$766,211
2	Hebron, Village of	Roadwork Development (629) Grant	50	0	$250,000
3	Marysville, City of	Roadwork Development (629) Grant	0	1,337	$350,000
4	New Albany, City of	Roadwork Development (629) Grant	50	0	$1,500,000

1. Funds were only used for costs incurred to complete the project. No exceptions were noted.

2. Project costs were paid prior to disbursement of grant funds and consisted only of eligible reimbursable costs. No exceptions were noted.

3. Reimbursement was based on the appropriate percentage of the actual eligible costs. Costs in excess of grant funds were secured from non-public sources. No exceptions were noted.

4. If applicable, grantee met the prevailing wage requirement under Ohio Rev. Code Chapter 4115. However, wage rate requirements were not applicable to all four of the items selected.

5. Grantee expended funds and completed the project within the time period set forth in the agreement. No exceptions were noted.

6. Grantee met the job requirements per the Agreement. For workforce development, this would include training the agreed-upon new and incumbent employees. No exceptions were noted.

B. Loans

Closeout List			*Agreement & Amendments*		
			Job Commitments		
	Beneficiary/Borrower Name	Program Type	Created	Retained	Loan/Grant Amount
1	Bloom Land Company, LLC	Regional 166 Direct Loan	10	46	$400,000
2	Nosterra, LLC	Regional 166 Direct Loan	5	0	$500,000
3	West End Ventures, LLC	166 Direct Loan	22	87	$25,000,000

1. We were unable to confirm proceeds were used only for payment of allowable project costs for the three loans listed because no such information was provided.

2. The Borrower provided the required equity funding by the completion date. No exceptions were noted.

3. All wages paid to laborers & mechanics employed were paid at the prevailing rate of wages or above. No exceptions were noted.

4. The Borrower made all of their loan repayments timely. No exceptions were noted.

5. The Borrower met the job requirements per the Agreement. No exceptions were noted.

6. The Borrower maintained proper insurance coverage. No exceptions were noted.

7. The Borrower received an environmental audit of the project facilities. No exceptions were noted.

C. Tax Credits

Closeout List		*Annual Report (2022)*				
	Beneficiary/Borrower Name	Jobs Reported	Reported Payroll	Reported Ohio Payroll	Income Tax Paid (rounded)	Agreed to Support
1	Ace Hardware Corporation	305	$12,814,667	$12,814,667	$317,542	Y
2	Amify, Inc.	42	$2,628,257	$2,613,780	$74,607	Y
3	Candid Care Co.	97	$6,336,083	$6,336,083	$171,132	**N**
4	City Barbeque, LLC	105	$10,715,471	$10,715,471	$342,767	**N**
5	CPS Solutions, LLC	134	$1,893,741	$1893,741	$690,258	Y
6	Essilor Laboratories of America, Inc.	643	$30,899,792	$30,899,793	$0	**N**
7	Henny Penny Corporation	1,110	$69,626,615	$56,427,582	$1,677,945	**N**
8	InfoTrust, LLC	139	$11,763,183	$11,763,183	$437,506	Y
9	Midmark Corporation	1,082	$85,551,895	$85,551,895	$2,608,282	**N**
10	Online.cars, LLC *	112	$6,307,457	$5,924,186	$156,100	**N**
11	RhinoSystems, Inc.	59	$2,951,787	$2,951,787	$82,976	Y
12	Swagelok Manufacturing Company, LLC	5,101	$345,832,106	$345,832,106	$10,101,273	Y

** Note: The selected JCTC beneficiary did not provide supporting documentation to agree to annual report.*

1. The award recipient's total payroll, Ohio payroll, Ohio income tax paid, and total jobs (created and/or retained) reported agreed to supporting documentation for six of the 12 JCTC award recipients (50%), without exception. For the remaining six of 12 JCTC award recipients (50%), supporting documentation did not agree to the amounts reported in the beneficiaries' annual reports, as noted in the table above.

Procedure 4

A. Based on the results of procedures 1, 2, and 3 above, we compiled a listing of each award recipient who was not in compliance with the performance metrics, as specified in the terms and conditions of the award.

B. We provided the listing from 4.A. above to the Attorney General, as required by Ohio Rev. Code 117.55, under separate cover on November 29, 2023.

We were engaged by the Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. 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 the Department's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express 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 the Department and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

Keith Faber
Auditor of State
Columbus, Ohio

November 27, 2023

OHIO AUDITOR OF STATE
KEITH FABER

OHIO DEPARTMENT OF DEVELOPMENT
ECONOMIC DEVELOPMENT AWARDS

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 12/12/2023

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