

# OHIO AUDITOR OF STATE KEITH FABER



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December 19, 2024

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, 2024. 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 Appendix 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, 2024. 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.

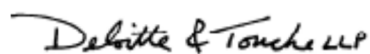
We make no representation regarding the appropriateness of the procedures either for the purpose for which our report has been requested or for any other purpose. Accordingly, this report may not be suitable for either the purpose of which this report has been requested or for any other purpose. The 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 9, 2024

**AGREED-UPON PROCEDURES FOR COMPLIANCE MATTERS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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 2024. 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 one credit card account with separate cards issued to each of the multiple users and one 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 one employee expense report for each of the randomly selected four months (August 2023, November 2023, March 2024, and May 2024) during fiscal year 2024 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 2024 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 a new employee compensation plan was approved in fiscal year 2024. The new compensation plan approval occurred December 6, 2023. We inspected meeting minutes for the executive session of the Board, which evidenced such approval. We randomly selected a sample of ten employees from the June 21, 2024, payroll register, which was the last payroll pay date of the fiscal year. For each of 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. We multiplied the employees' bi-weekly 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 ten 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 2024.

### *Results*

We inspected the minutes of the Board and ascertained that the strategic plan for calendar year 2024 was established on June 12, 2024. 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 eight listed contracts were approved by the Board ascertained via inspection of the minutes. 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 2024. 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 2024. 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 2024 and through inspection of the minutes, ascertain whether or not there were any new Board members appointed in fiscal year 2024. 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 2024 and observed one new appointment. We obtained a management representation letter indicating that the individual appointed to the Board of Directors had the qualifications required by ORC 187.02. Additionally, we obtained documentation from management that outlined those specified qualifications. 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, 2024. For those who filed a financial disclosure statement after May 15, 2024, 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, change of responsibility that requires filing, or a promotion.

### *Results – Exception Identified*

We obtained the listing from management of all individuals who were required to file a financial disclosure statement with the OEC according to ORC 187.03(B)(2). For each of the individuals who were required to file a financial disclosure statement, we obtained from management the file-stamped cover page for the financial disclosure statement and compare to the date such statement was filed. There were three financial disclosure statements not filed on or before May 15, 2024. One financial disclosure statement relates to an employee who was hired or promoted after May 15, 2024. Per inspection of the individual's offer, the employee's hire date was June 17, 2024, and the financial disclosure statement was filed within 90 days of their employment. There was one financial disclosure statement not filed before May 15, 2024, for an employee who was not hired nor promoted during fiscal year 2024 nor was there an approved extension. One financial disclosure statement relates to an employee who did not file on or before May 15, 2024, and had an extension request approved by the Ohio Ethics Commission to be filed

by July 15, 2024. Per inspection of their filed financial disclosure statement, this employee filed before July 15, 2024.

**Exception 7-1:** Financial disclosure statement filer did not file before the May 15, 2024, deadline nor was there an approved extension granted by the OEC.

### ***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, 2023 through June 30, 2024. 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 the 187.03 Report for the period July 1, 2023 through June 30, 2024. 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 and public officials and employees designations dated November 5, 2021 and September 5, 2023. Based on the date of the expenditure, for two of the transactions, we tied the public officials and employees to the designation dated November 5, 2021, and for eight of the transactions we tied the public officials and employees to the designation dated September 5, 2023. For the ten selected transactions, we compared 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. For nine of the selected transactions, we ascertained that each reported transaction was supported by management’s Business Rules and supporting documentation for the selections. For one of the selected transactions, the reported transaction amount was not supported by underlying documentation.

**Exception 8-1:** Per comparison of the client's calculation workbook and the invoice obtained for the selected expenditure, JobsOhio incorrectly recorded the total expenditure amount for all attendees. As

such, the amount calculated was \$95.58 and the amount reported was \$79.12, resulting in a difference of \$16.46.

### ***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, 2024. 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 2024. The minutes were 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/or a day before reminder prior to the meeting date. We obtained screenshots evidencing email communication and/or posts on the JobsOhio website for each of the meetings that there was to be an immediate Media Advisory release to the public discussing the 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, 2023. Ascertain whether or not it was submitted



by July 1, 2024 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 2023 Annual Report/2024 Strategic Plan," which details JobsOhio's activities for the year ended December 31, 2023. We obtained and inspected the email correspondence, which transmitted this report to the Governor's office and ascertained that the date of submittal was June 28, 2024. Per inspection of email correspondence, the following documents were submitted to the Governor: a) the JobsOhio 2023 Annual Report/2024 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 2023 Annual Report/2024 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 "A Vision For Economic Competitiveness" and this document was submitted with the report as evidenced by the email correspondence. No exceptions were found as a result of applying the procedure.

#### ***Procedure 11***

Obtain from management documentation of the filing with the 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 28, 2024, from JobsOhio to the ODOD, which indicated submission of the records and/or responses required by Procedure 11 as derived from the Agreement for Services, dated July 1, 2023, between JobsOhio and the ODOD. We observed that the submission 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 2023 Form W-2, Box 18. In the event there are multiple lines reported in Box 18 of the employee's 2023 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 twenty employees. We compared the amount reported as annual total compensation paid to the employee or officer to their respective 2023 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, 2024.

- (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 2024. 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 indicates that conflicts of interest policy was followed. No exceptions were found as a result of applying the procedure.

#### ***Procedure 14***

Randomly select a sample of 10 companies from the OEC compilation lists (of each Board member's employer or ownership interests) that the Board member reported per ORC 187.06 (the "OEC Compilation List") dated July 22, 2024 for calendar year 2023 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 2023. 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 2024. From that list identify whether JobsOhio reported those companies where an offer had been made back to OEC by its letter to the OEC dated August 20, 2024.

#### *Results*

We randomly selected a sample of ten companies from the OEC Compilation Lists dated July 22, 2024, and compared the company names to the ODOD End-of-Year Report. None of the selected companies had active project(s) or arrangement(s), defined as having received an offer from JobsOhio during the first six months of fiscal year 2024. No further procedures were performed. No exceptions were found as a result of applying the procedure.

#### ***Procedure 15***

For fiscal year 2024, 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 2023. 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 2024, 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 Conflicts 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 – Exception Identified*

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 ten Board members or employees. For each of the selections, we compared the financial and fiduciary interests with the Projects or arrangements listed on the ODOD End-of-Year ("EOY") Reports covering the final six months of calendar year 2023. We identified three Board members or employees with financial and fiduciary interests in Projects or arrangements listed within the ODOD EOY report, representing four projects. For the first and second project, we inspected the CRM system and ascertained that both Projects included documentation of a De minimis financial and fiduciary interest included in the Conflicts of Interest section of the Project file. De minimis is defined by the Conflicts of Interest Policy established by JobsOhio. For the third and fourth Project, the CRM system did not include *Potential* Conflicts of Interest notations in the Project file. For all aforementioned selections, we inspected the Project file for the subject Board member's or employee's name and did not identify the listed person as having participated in the Project.

**Exception 15-1:** For the third and fourth Project, the CRM system did not include Potential Conflicts of Interest notations in the Project file. For one selection, the Project organization name changed after the Project record was established and the initial Potential Conflicts of Interest check was completed. For one selection, the name included in the Disclosure List was not an exact match to the Project organization name within the CRM and, as such, no Potential Conflict of Interest check was performed.

### ***Procedure 16***

From the ODOD End-of-Year Report covering the last six months of calendar year 2023, 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 twenty Projects from the ODOD EOY Report which covered the last six months of calendar year 2023. For each of the twenty Projects selected, the JobsOhio Managing Director, Enterprise Risk provided a list of any Board member or employee names which were identified in the CRM system as participating in the Project Participant List. We compared the Participant List to the JO Disclosure List to ascertain that no individuals that participated in the project are listed as having a financial or fiduciary interest, including de minimis in the identified Project. 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 2024. 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 2024. 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 2024. We compared each of the employees and officer's names (excluding officers as they are not employees) to the head count of the last payroll in June 2024. Through inspection of the employee listing dated June 21, 2024, we ascertained that there was one employee hired after the last pay period end date for June 15, 2024 but prior to the end of the fiscal year. All officers and employees of JobsOhio signed the ethical conduct statement and the gift policy acknowledgements. 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

2024. 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 2024. Through inspection of the employee listing dated June 21, 2024, we ascertained that there was one employee hired after the last pay period end date for June 15, 2024 but prior to the end of the fiscal year. All officers and employees of JobsOhio signed the ethical conduct statement and the gift policy acknowledgements. No exceptions were found as a result of applying the procedure.

***Procedure 20***

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

*Results*

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

***Procedure 21***

From the JobsOhio Monthly Executed Agreement Reports located on the JobsOhio website covering the period July 1, 2023 through June 30, 2024, 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 Small Business Grant (Inclusion Grant), one JobsOhio Speculative Development Grant-OSIP, one JobsOhio Vibrant Community Grant, one JobsOhio Growth Fund Loan, one JobsOhio Revitalization Loan, and one JobsOhio Speculative Development Loan-OSIP.

- (1) Through inspection of the notes of the twice weekly JO/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 Senior Managing Director of Projects or

designee 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 Small Business 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, Speculative Development Grants and Speculative Development Loans.

## *Results*

We selected one sample from each of the following project categories for a total of nine selections: JobsOhio Economic Development Grant, JobsOhio Workforce Grant, JobsOhio Research and Development Grant, JobsOhio Revitalization Grant, JobsOhio Phase II Grant, JobsOhio Small Business Grant (Inclusion Grant), JobsOhio Speculative Development Grant-OSIP, JobsOhio Vibrant Community Grant, and JobsOhio Growth Fund Loan. The following two categories of projects were not included in the monthly executed reports on JobsOhio's website covering the period July 1, 2023 through June 30, 2024 as there were no executed projects in fiscal year 2024: (1) JobsOhio Revitalization Loan, and (2) JobsOhio Speculative Development Loan-OSIP. No further procedures were performed for those 2 project categories. We performed the aforementioned procedures for the nine selections. We inspected the notes of the JO/ODOD Project Review Meetings and ascertained that the projects were discussed in one of the meetings and the required personnel from management and ODOD were present when required. 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 and loans, except for the Small Business Grant (Inclusion Grant), were reviewed by the Independent Review Panel. Small Business Grants (Inclusion Grants) do not go to the Independent Review Panel. For eight of the nine selections, we agreed the MEvD in the respective grant or loan agreement to the MEvD approved during the JO/ODOD Project Review meeting and reflected in the most recent offer letter. For one of nine selections, the MEvD in the respective grant or loan agreement did not agree to the MEvD that was approved during the JO/ODOD Project Review meeting. Per inspection of the CRM and inquiry of management, a change to the MEvD was made upon discussion between management and the PPT. We ascertained that the change was approved and reflected in the most recent offer letter. 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 exceptions were found as a result of applying the procedure.

## ***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 Small Business 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 Small Business 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 inspected that costs included were eligible for reimbursement. Through inspection of the CRM, we observed the grant was awarded to an eligible applicant, site or end-use (as outlined in the Board Guidelines for the program). Further, through inspection of the executed grant agreement, we inspected 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 inspected 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 \$1 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 ninety-eight distressed communities, per the Board Guidelines. We observed that the grant did not exceed \$1 million dollars and did not exceed 50% of the total eligible 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 inspected that eligible costs were directly related to building renovation & improvements. We inspected the loan agreement term matched the most recent term sheet and that the applicant selected committed to make at least a 10% contribution in allowable Project costs and uses. We inquired of management as to the security documents and inspected those documents were included in the Closing Binder. No exceptions were found as a result of applying the procedure.

### ***Procedure 31***

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

- (1) Inspect the loan agreement metric commitments to ascertain whether or not the executed loan agreement requires at least 20 jobs will be created and/or retained. Inspect the Project records for a signed agreement from the borrower, such as a letter of intent, option, lease, or

documentation that the Borrower holds title for the Project site.

- (2) Inspect the loan agreement and ascertain whether or not it includes one or more of the eligible costs (as outlined in the Board Guidelines for the program). If it does not, inspect the Project records for and ascertain whether or not the cost was approved in the most recent term sheet reviewed and approved by the JobsOhio loan review committee for the loan.
- (3) Ascertain whether or not the loan was within the typical range of \$500,000 to \$5,000,000 and between 20% and 75% of eligible costs. If the Project loan was not within that range, agree the amount of the loan in the executed loan agreement to the amount of the loan approved in the most recent term sheet reviewed by the JobsOhio loan review committee for the Project.
- (4) Inspect the term of the note and ascertain whether or not it is within the typical range of between 10 and 15 years. If the term was not within that range, agree the term in the executed loan agreement to the term approved in the most recent term sheet reviewed by the JobsOhio loan review committee for the Project.

#### *Results*

There were no JobsOhio Revitalization Loan agreements executed from the JobsOhio Monthly Executed Agreement Reports for the period 7/1/2023 through 6/30/2024. As such, no further procedures were performed. No exceptions were found as a result of applying the procedure.

#### ***Procedure 32***

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

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

#### *Results*

There were no JobsOhio Speculative Development Loan-OSIP agreements executed from the JobsOhio Monthly Executed Agreement Reports for the period 7/1/2023 through 6/30/2024. As such, no further procedures were performed. 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 2024, 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) Ascertain whether or not by inspection of the disbursement records, that source documentation, when aggregated, is greater than or equal to the amount of the disbursement and were for eligible costs in accordance with the terms of the agreement.
- (4) Ascertain whether or not the Metric updates were included with the reimbursement request prior to approval of the reimbursement request.
- (5) Ascertain whether or not both a staff member and the Chief Financial Officer or designee approved each reimbursement request prior to disbursement of funds, as evidenced by the date on the reimbursement request approval and the date the payment was disbursed.

### ***Results***

We inspected the loan agreements from the loans selected in Procedure 21 for disbursement requirements specific to the loan. There was only one loan selected in Procedure 21. For the one selected loan in Procedure 21, we selected one fiscal year 2024 reimbursement and performed each of the aforementioned procedures. We 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. No exceptions were found as a result of applying the procedure.

### ***Procedure 34***

From the grants selected in Procedure 21, randomly select one reimbursement request paid during fiscal year 2024, 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*

For each of the eight grants selected in Procedure 21, we selected one fiscal year 2024 reimbursement, unless there were none, and performed each of the aforementioned procedures. We observed that seven out of the eight grants selected did not have any disbursements paid during fiscal year 2024. For the one grant selection with reimbursement, we randomly selected one reimbursement request paid during fiscal year 2024. For the reimbursement selection, we ascertained through inspection of the project records that the source documentation was greater to or equal to the disbursement amount and the Metric update was included within the reimbursement request prior to its approval. Both a staff member and Chief Financial Officer, or designee, approved the reimbursement prior to disbursement of funds. There was no deficiency reimbursement related to the disbursement selected. No exceptions were found as a result of applying the procedure.

### ***Procedure 35***

From the JobsOhio Monthly Executed Agreement Reports covering the period January 1, 2023 through December 31, 2023, 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, 2024;
- (2) If an annual report was received later than March 1, 2024, 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 – Exception Identified*

We obtained the JobsOhio Monthly Executed Agreement Reports covering the period January 1, 2023, through December 31, 2023, and selected a sample of one loan and one grant (excluding Phase II grants). We performed each of the aforementioned procedures for the grant and loan selected. For the loan selection, we observed through the Project records in the CRM that an annual report was submitted to JobsOhio no later than March 1, 2024. For the grant selection, we observed through the Project records



in the CRM that an annual report was submitted to JobsOhio after March 8, 2024 and there was no extension approved by Director, Project Performance. As such, exception 35(1) was identified.

**Exception 35-1:** Grantee did not meet submission date of March 1, 2024 nor was an extension approved by the Director, Project Performance. Grantee received past due notifications every business day after March 1, 2024 until they submitted their annual report on March 8, 2024.

### ***Procedure 36***

Obtain from management a list of all Projects that reached their MEvD on December 31, 2023 (“2023 MEvD List”). Of the non-Phase II JobsOhio Projects with a MEvD of December 31, 2023, 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 2023.
- (2) If the company did not submit an Annual Report for calendar year 2023, ascertain whether or not the Project was selected by JobsOhio’s Project Performance Team to go to PPRT or through a Project Change Request (PCR), and that determination was made by the Project Performance Team was consistent with the JobsOhio Decision Matrix for these projects.

### ***Results***

We obtained a listing of Projects that reached their MEvD on December 31, 2023 and made a random selection of a non-Phase II Project. As the selected Project submitted an Annual Report for calendar year 2023 no further procedures were performed. No exceptions were found as a result of applying the procedure.

### ***Procedure 37***

For the Project selected in Procedure 36, 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 or the PCR notes in the Project record to ascertain PPRT approved the disbursement request or the determination made by the Project Performance Team was consistent with the JobsOhio Decision Matrix for the project.

### ***Results***

For the Project selected in Procedure 36, 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. As such, no further procedures were performed. No exceptions were found as a result of applying the procedure.

### ***Procedure 38***

From the list provided in Procedure 36, select a random sample of five Revitalization Phase II Grants and inspect the Project record for each selected Phase II Grant and ascertain whether or not JobsOhio disbursed funds to the Grantee. Where funds were disbursed, inspect the Project record and ascertain whether or not a copy of the Phase II environmental report was obtained by JobsOhio prior to disbursing funds.

### ***Results***

We obtained a list provided in Procedure 36 (list of projects that reached their MEVD on December 31, 2023). There were only three Revitalization Phase II grants. For the three selections, we inspected the project records to ascertain if any disbursements were made to the Grantee. If any disbursements had been made, we inspected the project records to ascertain if the Phase II environmental report was obtained prior to disbursement. No exceptions were found as a result of applying the procedure.

### ***Procedure 39***

Of the Projects listed on the 2023 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 2023 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 unless it was previously provided in the Annual Report or in an email from the company.
- (3) Ascertain whether or not the Project was selected by JobsOhio'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.

#### *Results – Exception Identified*

We selected fifteen projects from the 2023 MEvD list and inspected the 2023 Annual Reports for all of the projects selected. Of those projects selected, seven projects had met all their metrics while eight of the Projects did not meet at least one of their metrics. We then performed each relevant aforementioned procedures for those eight projects. We inspected the project records and observed that seven of the eight projects that missed at least one of their metrics provided Market Conditions and Other Factors to explain the shortfall. For one of the projects that missed at least one of their metrics, the company did not provide Market Conditions and Other Factors to explain the shortfall. JobsOhio documented its follow up with the Company for all projects that did not meet at least one performance metric. Of the eight projects that did not meet at least one performance metric, five of them went through the project change request (“PCR”) and three of them went through PPRT. We ascertained that the determination made by the Project Performance Team was consistent with the JobsOhio Decision Matrix for all projects that missed at least one of their metrics. For the five 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. For the three projects that went through PPRT, we inspected the PPRT meeting notes in the project record and ascertained the project was on the PPRT meeting agenda and the decision was acted upon through the date of the Agreed-Upon Procedures report.

**Exception 39-1:** Per inspection of the Project records, for one of the Projects that missed at least one of their performance metrics, the company did not request nor provide Market Conditions and Other Factors (as provided in their grant or loan Agreement) to explain the shortfall despite follow up by the Project Performance Team to the company.

#### ***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 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 the JobsOhio Innovation District-RESEARCH projects. We made one random disbursement request from the JobsOhio Innovation District-STEM projects and one random disbursement request from the JobsOhio Innovation District-Research projects. We 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 the 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 2024.

- (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 twenty expenditures from the detailed listing of expenditures for fiscal year 2024 provided by management. We inspected the supporting documentation and did not observe evidence that was not related to JobsOhio's nonprofit purpose. For all twenty of the expenditures, we obtained the related documentation, which includes invoices, if applicable, and 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.

#### ***Procedure 42***

Obtain from management a listing of active loans that have payments greater than 10 days past due as of June 30, 2024. For any loan listed, perform the following:

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

company.

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

### *Results*

We obtained the listing of active loans that have payments greater than ten days past due as of June 30, 2024. From inspection of the listing, there were two projects that were greater than ten days past due. JobsOhio had requested market conditions and other factors from the company, which were provided by the company and documented as follow up with the company. From inspection of the PPRT meeting notes, the project was selected to go before the PPRT and was included on the agenda for discussion. The PPRT decided to seek litigation for payment against the company, which was acted on through the date of the Agreed-Upon Procedures report. No exceptions were found as a result of applying the procedure.

### ***Procedure 43***

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

- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (2) Whether JobsOhio's operations are consistent with its articles of incorporation, regulations, and contractual obligations, and are properly documented; and
- (3) Whether transactions are fair to JobsOhio, reflect reasonable investment or payments for goods and services, further JobsOhio's statutory purpose or contractual obligations, and do not result in direct private benefit to directors, officers, or other persons, in other than a de minimis manner.
- (4) If no review was performed, inquire of management when the review will be completed. If such periodic review was completed, obtain from management the results of the review, and inspect that the three elements listed above were included in the results.

### *Results*

We inquired with management who noted a periodic review was conducted during the fiscal year. We obtained a copy of the periodic review for the 2024 fiscal year. The review was submitted to the JobsOhio Audit committee on November 5, 2024 by the Managing Director, Enterprise Risk. We inspected the

periodic review, and all three elements were included. No exceptions were found as a result of applying the procedure.

#### ***Procedure 44***

For the JobsOhio Pre-Project Planning Program (Inclusive Project Planning Program) Grants select one from JobsOhio services and one from vendor services:

- (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 as outlined in the Board Guidelines;
  - (b) ascertain whether or not through inspection of the CRM, the grant was awarded to one of the 84 communities identified by JobsOhio as a rural and distressed community (as outlined in the Board Guidelines for the program);
  - (c) ascertain whether or not through inspection of the CRM a local leader or stakeholder was identified as outlined in the Board Guidelines;
  - (d) for the grant receiving services through JobsOhio ascertain whether or not, by inspection of the executed grant agreement, the grant was made through a JobsOhio vendor and if the grant received ranged between \$10,000 and \$50,000.
  - (e) for the grant receiving services through a vendor, ascertain whether or not, by inspection of the executed grant agreement, the grant was made by JobsOhio and the grant did not exceed \$20,000 and not more than 50% of the total costs of the services provided.

#### ***Results***

From the JobsOhio Pre-Project Planning Program (Inclusive Project Planning Program) Grants, we selected one grant from vendor services. There were no grants from JobsOhio services, and as such, no further procedures relating to JobsOhio Pre-Project Planning Program (Inclusive Project Planning Program) Grants from JobsOhio services were performed for JobsOhio services. For our selected grant from vendor services, we obtained the executed grant agreement and the Board Guidelines. Through inspection of the CRM, and as outlined in the Board Guidelines, we observed the grant was awarded to an eligible applicant, that was included in one of the eighty-four distressed communities identified by JobsOhio as a rural and distressed community, and a local leader and stakeholder was identified. We observed that the grant was between \$10,000 and \$50,000 and made through a vendor. The grant amount did not exceed \$20,000 and did not exceed 50% of the total project costs. No exceptions were found as a result of applying the procedure.

### *Procedure 45*

Obtain the contract entered into between JobsOhio and the DSA to assist the DSA in its functions and duties. Inquire of management whether there was a new contract or any modifications to the existing contract entered into during the fiscal year ended June 30, 2024. If so, inspect the contract to ensure that it was fully executed as evidenced by signatures for parties listed on the agreement, and that it includes the following terms:

- (1) Terms assigning to the corporation (JobsOhio) the duties of advising and assisting the director in the director's evaluation of the agency (DSA) and the formulation of recommendations under Section 187.05 of the ORC.
- (2) Terms designating records created or received by JobsOhio that shall be made available to the public under the same conditions as are public records under Section 149.43 of the ORC. Among records to be designated shall be the following:
  - a. The corporation's federal income tax returns;
  - b. 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.
  - c. The annual total compensation paid to each officer and employee of the corporation.
  - d. 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.
  - e. Record of any fully executed incentive proposals to be filed annually.
  - f. Records pertaining to the monitoring of commitments made by incentive recipients, to be filed annually.
  - g. 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 the amended and restated contract for services between JobsOhio and the ODOD, with an effective date of 7/1/2023. We inspected the signatures of both parties, terms assigning the duties of the corporation under Section 187.05 of the ORC, and terms designating records created or received by JobsOhio that shall be made available to the public as required. The executed contract included each of the designated records described in this procedure. 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)
<b>Company 1</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	-66.67%	75.64%	100%	100%	16%	Y	Y	Y	Y	Y
<b>Company 2</b>	Original	Y	Y	Y	Y	Y					
	Amended			Y	Y						
	Reported	-27.18%	4.36%	100%	100%	141%	Y	Y	Y	Y	Y
<b>Company 3</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	82.50%	288.45%	100%	100%	247%					
<b>Company 4</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	-100%	65.18%	-1.47%	100%	139%	Y	Y	Y	Y	Y
<b>Company 5</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	17.14%	20.57%	100%	100%	73%					
<b>Company 6</b>	Original	Y	Y	Y	Y	-					
	Amended										
	Reported	63.20%	-22.90%	100%	100%	-	Y	Y	Y	Y	Y

<b>Company 7</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	66.67%	-100%	100%	-1.20%	402%	N	Y	Y	Y	Y
<b>Company 8</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	-3.33%	37.07%	100%	100%	3%	Y	Y	Y	Y	Y
<b>Company 9</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	-63.33%	-100%	100%	-2.60%	241%	Y	Y	Y	Y	Y
<b>Company 10</b>	Original	-	-	-	-	Y					
	Amended										
	Reported	-	-	-	-	134.98%					
<b>Company 11</b>	Original	Y	Y	Y	Y	Y					
	Amended										
	Reported	-100%	112.69%	-13.22%	100%	27%	Y	Y	Y	Y	Y
<b>Company 12</b>	Original	Y	Y	-	-	Y					
	Amended										
	Reported	41.54%	41.76%	-	-	94%					
<b>Company 13</b>	Original	-	-	-	-	Y					
	Amended										
	Reported	-	-	-	-	182.95%					
	Original	Y	Y	-	-	Y					

<b>Company 14</b>	<b>Amended</b>										
	<b>Reported</b>	19.43%	39.74%	-	-	17%					
<b>Company 15</b>	<b>Original</b>	Y	Y	-	-	Y					
	<b>Amended</b>										
	<b>Reported</b>	34.55%	6.44%	-	-	143%					

## **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, 2024, 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, 2024 which showed an overpayment of actual ordinary operating expenses of \$3,706,726.82. This balance was credited to the second quarter of the following fiscal year. As there was an overpayment, there were no additional payments made. No exceptions were found as a result of applying the procedure.

### ***Procedure 3***

Obtain a listing of liquor tax payments made during fiscal year 2024 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 20<sup>th</sup> 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 20<sup>th</sup> 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 ten liquor tax payments. For the ten samples, the payment was made on or before the 5<sup>th</sup> or 20<sup>th</sup> days of the calendar month or the first business day following the 5<sup>th</sup> or the 20<sup>th</sup>, 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 and CIO. Management also informed us that there were no “reportable events” during fiscal year 2024. No exceptions were found as a result of applying the procedure.

### ***Procedure 5***

For a randomly selected sample of six weeks during fiscal year 2024, 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 2024, the base amount is \$356,440,222). If the base franchise profits were exceeded, recalculate that the cash payment made to the state (the “supplemental payment”) was equal to 75% of the amount by which the liquor enterprise profits exceeded the base franchise profits. Ascertain whether or not JOBS paid the calculated amount to the state by inspecting the bank statement for indication that the payment was either wired to OBM or paid by physical check.

### *Results*

We inquired of management and obtained the memorandum to the Ohio Office of Budget and Management (entitled “Deferred Payment Notice”), which indicated that the liquor enterprise profits were \$481,418,405. The profits exceeded the base franchise profits of \$356,440,222 by \$124,978,183. We recalculated the supplemental payment of \$93,733,637 by multiplying the excess profit of \$124,978,183 by 75%. We also obtained the JOBS’ bank statement for August 2024 and observed that the payment of \$93,733,637 was made on August 29, 2024. 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, 2024.
- (2) Within 60 days of the close of each March 31, June 30, October 30, and December 31, commencing June 30, 2024, 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 2024.
- (3) Within 120 days of the close of each fiscal year, commencing June 30, 2024, 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 2024.

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 2024 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 2024. 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***

Through an inspection of the JOBS Annual Reconciliation Report for fiscal year 2024, ascertain whether or not JOBS management approved any Extraordinary Expense (as defined in Section 2.1 of the Operations Service Agreement) in an amount greater than 2% of the total Estimated Expenses for the Fiscal Year, individually or 4% of the total Estimated Expenses for the Fiscal Year in the aggregate. If not approved by JOBS, ascertain that JOBS provided DLC with written notice of its disapproval within 20 days of its receipt of DLC’s request to make such Extraordinary Expense as evidenced by email correspondence from JOBS.

### *Results*

We obtained JOBS Annual Reconciliation Report for fiscal year 2024 showing that an Extraordinary Expense totaling \$0 was incurred during the fiscal year. The total Extraordinary Expenses incurred did not exceed 4% of the total estimated expenses for the fiscal year in the aggregate and did not exceed an amount greater than 2% of the total estimated expenses for the fiscal year individually. No further procedures were performed on the disapproval of Extraordinary Expenses as no Extraordinary Expenses were incurred for fiscal year 2024. No exceptions were found as a result of applying the procedure.

### ***Procedure 11***

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

## *Results*

We recalculated the Extraordinary Expense amount to ascertain that it was equal to 4% of the total estimated expenses by multiplying the total operating expenses of \$20,583,022 per the “State Fiscal Year 2024 Fee Budget” by 4%, which amounted to \$823,321. We inspected this amount was in the DLC fund no later than fifteen days after the beginning of the fiscal year. We inquired of management and ascertained that there were no extraordinary expenses in the current year. As such, the actual expenses incurred did not exceed the current balance in the Allowance Fund at DLC. No additional payment to the DLC was required. No exceptions were found as a result of applying the procedure.

## ***Procedure 12***

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

- (1) Ascertain whether the elements used in the calculation are accurate by comparing the elements to the trial balance as of the date the calculation was prepared.
- (2) Recalculate the Minimum Debt-Service Coverage Ratio and ascertain whether or not it was at least 1.35 as required in Sections 1.1 and 14.5 of the FTA.
- (3) If the Minimum Debt-Service Coverage Ratio of 1.35 is not met, inquire of management if JOBS retained a consultant no later than 30 days after completion of the fiscal year during which the ratio was not met to review, analyze, and make recommendations with respect to revenues, expenses, and operations to DLC.
  - (a) Inspect documentation that a consultant was retained.
  - (b) (Ascertain whether or not a written report was submitted to DLC, JOBS, and the State within 60 days of the issuance of the written engagement report.
- (4) Obtain a schedule of debt-service requirements from management for fiscal year 2024.
  - (a) Ascertain whether or not JOBS paid each debt service amount by tracing to the check or wire transfer and ensuring that the payment was made on or before the debt-service requirement due date.
  - (b) If the due date is not a business day, ascertain whether or not the disbursement date was the next business day.

## *Results*

We obtained the management prepared document entitled Debt Coverage Statement, which was addressed to the Ohio Office of Budget and Management and the Ohio Department of Commerce. We



recalculated the Minimum Debt-Service Coverage Ratio using the trial balance of the audited financial statements, observing the ratio was in excess of 1.35. We agreed the elements of management's calculation to the trial balance as of June 30, 2024, and confirmed that all elements in the calculation were accurate after rounding to the nearest thousand dollars. As the Minimum Debt-Service Ratio was greater than 1.35, no further procedures were performed as it relates to step (3) of the procedure. We then obtained the debt-service requirement schedule from management that indicated that a total of nine debt-service payments were required to be paid during fiscal year 2024 amounting to \$142,541,182. The six debt-service payments totalling \$142,541,182 were made on the debt-service requirement due date, or the next business day if the due date was not a business day. No exceptions were found as a result of applying the procedure.

## JobsOhio Growth Capital (JOGC)

### *Procedure 1*

Obtain from management a list of all transactions for which there is an executed agreement for the JobsOhio Growth Capital Program. Select three transactions and obtain the executed agreement and perform the following:

- (1) Ascertain whether or not, by inspection of the transaction records, 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 [Lead Investor] must bring the candidate company for investment consideration. A Qualified Venture Sponsor [Lead Investor] is an investment firm or institution that makes direct investments professionally.
  - (d) Qualified Venture Sponsor [Lead Investor] 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 [Lead Investor] 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 transaction records, two or more JobsOhio employees selected the companies to participate in this program.
- (3) Ascertain whether or not, by inspection of the transaction records, that:
  - (a) JOGC funding was allocated to companies via Convertible Debt or Direct Equity investments; and
  - (b) JOGC followed their established investment 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 transaction records, 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 for which we inspected the executed agreements. 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 either via Direct Equity or Convertible Debt 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 the procedure.

# OHIO AUDITOR OF STATE KEITH FABER



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

### **FRANKLIN COUNTY**

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

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



**Certified for Release 12/19/2024**

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

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