

2021 Report to the General Assembly:

**Compliance With State Awards
for Economic Development**

Submitted to the Ohio General Assembly Pursuant
to Section 125.112(G) of the Ohio Revised Code

TABLE OF CONTENTS

DEFINITIONS	1
EXECUTIVE SUMMARY	2
KEY FINDINGS.....	3
BACKGROUND	4
COMPLIANCE REVIEW METHODOLOGY.....	6
Phase 1: Data and Information Collection	6
Phase 2: Compliance Evaluation	6
Phase 3: Terms and Conditions Evaluation.....	6
Grant Awards	7
Loan Awards	7
Tax Credit Awards.....	8
Appendix 1: Previous Five Years' Compliance Rates.....	i
Appendix 2: Breakdown of Roadwork Development Award Recipients	ii
Appendix 3: Noncompliant Grant Award Recipients	iii
Appendix 4: Noncompliant Loan Award Recipients.....	iv
Appendix 5: Noncompliant Tax Credit Award Recipients	v

DEFINITIONS

Annual report: Information submitted to the Ohio Department of Development (ODOD) annually by an award recipient.

Award agreement: An agreement executed between the ODOD and an award recipient containing the terms and conditions, including performance metrics, upon which the state award for economic development is based.

Award recipient: An entity that received a state economic development award administered by the ODOD and entered into an award agreement. "Entity," as defined in Revised Code 125.112(2), refers to "a corporation, association, partnership, limited liability company, sole proprietorship, or other business entity," whether for profit or nonprofit. It does not include an individual who receives state assistance unrelated to the individual's business.

Closeout year: As defined in Revised Code 125.112(G), "the calendar year by which an entity that receives a state award for economic development must comply with a performance metric specified in the terms and conditions of the award."

Commitment:

Aspirational commitment: For this report, the term suggests that an award recipient has agreed to give a full-faith effort in seeking to achieve the performance metrics defined in an award agreement. Aspirational commitments are not factored in when determining compliance.

Firm commitment: For this report, the term suggests that an award recipient must achieve the performance metrics defined in an award agreement. Failure to do so results in noncompliance, subjecting the recipient to remedial actions.

Market conditions: A term that is defined in most ODOD-issued award agreements. One example: "Those conditions determined by the Director, with advice from the Federal Reserve Bank of Cleveland. The Director shall consider the following: (i) two (2) consecutive quarters of decline in manufacturing employment in the State of Ohio as a whole or when possible, by relevant manufacturing sector.

Employment figures will be those reported by the Ohio Department of Job and Family Services; (ii) a decline, as a whole or by relevant sector, in 12 of the last 36 months as detailed in the Federal Reserve's National Industrial Production Index; and (iii) a decline within the relevant sector of Standard & Poor's 'Industrial Outlook.'"

Metric evaluation date: As defined in Revised Code 122.17(A)(7), "the date by which the taxpayer must meet all of the commitments included in the agreement."

Performance metrics: The commitments for creation of jobs, job retention, total annual payroll, capital investments and/or other commitments, as set forth in an award agreement.

Performance period: The time frame set forth in an award agreement within which the recipient must comply with its performance metrics.

Remedial action: An action taken by the ODOD against noncompliant award recipients. Remedial actions might include the termination of an agreement, a reduction in an award amount, or an increase in the interest rate on a loan.

State award: As defined in Revised Code 125.112(A)(3)(a), "a contract awarded by the state costing over twenty-five thousand dollars." Under Revised Code 125.112(A)(3)(b), it does not encompass compensation received as an employee of the state or any state financial assistance and expenditure received from the General Assembly or any legislative agency, any court or judicial agency, the secretary of state, auditor of state, treasurer of state, or attorney general and their respective offices.

State award for economic development: As defined in Revised Code 125.112(G), “state financial assistance and expenditure in any of the following forms: grants, subgrants, loans, awards, cooperative agreements, or other similar and related forms of financial assistance and contracts, subcontracts, purchase orders, task orders, delivery orders, or other similar and related transactions.”

Substantially compliant: As defined by the ODOD, the attainment of at least 90% of all performance metrics set forth in an award agreement.

EXECUTIVE SUMMARY

Phase 1 of the review consisted of information gathering, during which the Auditor received files from the ODOD for all state awards for economic development whose performance period ended in calendar year 2020. These files, separated by award recipient, typically included the award agreement and any amendments; documentation of disbursement of funds or receipt of tax credits; and the annual reports submitted to the ODOD by the award recipient. The ODOD identified 48 awards with performance periods ending in 2020, but the Auditor determined one (1) of those did not qualify. The auditor also identified one (1) additional award within documentation provided by ODOD, but not initially identified by ODOD. Thus, the Auditor received 48 award files from the ODOD said to be “in scope.”

In Phase 2 of the review, the Auditor reviewed all 48 award files to determine each recipient’s level of compliance with the terms and conditions of their agreements.

Phase 3 encompassed a more detailed review of 15% of the award agreements, with the focus being firm commitments. To further aid this phase, the Auditor requested supporting documentation directly from award recipients including items like tax and payroll records, receipts and expenditure ledgers. The results of the compliance evaluation are set forth in this report.

The Auditor requested the results of the ODOD’s compliance determination for each award, as well as details of any remedial action taken with noncompliant award recipients. Upon review completion, the Auditor shared all noncompliant results with the ODOD.

Of the 48 award files, recipients receiving 42 awards were deemed fully compliant with the terms and conditions of their agreements. Of the six (6) awards determined to be non-compliant, three (3) met at least 90% of their commitments and were deemed substantially compliant by the ODOD¹. For the three (3) remaining awards determined to be non-compliant, no actions were taken by ODOD. The results represent overall compliance rates of 88% (if the substantially compliant items are considered noncompliant) or 94% (if they are considered compliant). The following is a breakdown of the compliance rates (including substantially compliant) for each award category and the specific award programs within those categories.²

<u>Compliance Rates</u>	<u>Compliant</u>
Overall Compliance Rate	94% (45/48)
Grant Compliance Rate	95% (18/19)
Roadwork Development	95% (18/19)
Loan Compliance Rate	100% (11/11)
166 Direct	100% (1/1)
Regional 166 Direct	100% (8/8)
Research and Development Investment	100% (2/2)
Tax Credit Compliance Rate	89% (16/18)
Job Creation	89% (16/18)

¹ Prior to the 2018 review, the Attorney General’s Office (AGO) followed the precedent of the ODOD and accepted 90% compliance as compliant. Beginning with 2019 closeouts, AGO only reported on compliant or non-compliant, with “substantially compliant” items considered compliant for reporting purposes, but still included in the listing of noncompliant items in Appendix 5. The Auditor of State continued this practice for 2020 closeouts.

² See Appendix 1 for previous years’ compliance rates.

KEY FINDINGS

All Awards

In its review of the 48 in-scope economic development awards, the Auditor determined 45 recipients had complied with the terms and conditions of their agreements. This results in an **overall compliance rate of 94%**. These percentages represent “the level of compliance of such entities with the terms and conditions, including any performance metrics, of their state awards for economic development,” pursuant to R.C. 125.112(G).

- Figure 1 details the number of 2020 closeout awards by award type:

2020 Awards by Award Type

Type of Award	Value of Awards	Total Awards
Grant	\$12,871,039	19
Loan	\$14,370,500	11
Tax Credit	\$3,409,595	18
Total	\$30,651,134	48

- Figure 2 details the compliance rate by award type:

Overall Compliance by Award Type

Type of Award	Total Awards	Awards Compliant	% Compliant
Grant	19	18	95%
Loan	11	11	100%
Tax Credit	18	16	89%
Overall Compliance	48	45	94%

Additionally, during the Auditor review the following important items were noted:

- As mentioned previously, one (1) award that the ODOD provided to the Auditor was out of scope. The award in question was terminated, with clawback of awarded tax credit monies.
- Similar to the Attorney General’s previous report findings for 2019, Roadwork Development Grants did not require award recipients to create new jobs as part of their grant agreement. Job creation was encouraged, but not required as part of the grant agreement. This finding is explained in more detail on page 14.
- Three (3) of 11 loan agreements contained language that only required recipients to achieve 90% of their job commitments.

BACKGROUND

With respect to state awards for economic development, Section 125.112 of the Revised Code requires the Ohio Attorney General to: (1) determine the compliance of award recipients with the terms and conditions – including performance metrics, if any – of the award agreements at the end of the closeout year; and (2) report annually to the General Assembly regarding the level of compliance of such recipients. When determined to be appropriate and to the extent that a recipient of a state award for economic development does not comply with a performance metric specified in its agreement, the statute gives the attorney general the authority to pursue such remedies and recoveries against and from that recipient as are available by law.³

ODOD allocates and administers the state's economic development awards. Each year, the ODOD offers economic development incentives to Ohio entities to help expand commerce in Ohio, attract new businesses to the state, and/or create new jobs and retain existing jobs.

Each award agreement designates a date that the recipient is obligated to begin working toward the performance metrics detailed in the agreement and a time frame during which those metrics should be met. Most agreements require the award recipient to submit documentation of project performance within a certain period after the closeout date. This Auditor report focuses on recipients whose agreements identify 2020 as the closeout year. To make a compliance determination, the Auditor compared each recipient's commitments for job creation, job retention and/or increased payroll as set in its contract with the results documented in its annual reports. Failure to submit an annual report(s) resulted in a noncompliance determination.

It should be noted that most award agreements allow the director of the ODOD to consider "market conditions" when deciding whether or not to seek reimbursement of grant or loan funds from an award recipient that fails to meet the performance metrics in its agreement. The language typically reads as follows: "If Grantee fails to create and/or retain...the total estimated full-time jobs as stated in this Agreement or fails to maintain the above-referenced employment levels during the Term of the Agreement, for reasons other than Market Conditions, as defined in this Agreement, Grantor may require Grantee to reimburse Grantor..." The "market conditions" to be considered pursuant to the award agreements include items such as employment figures as reported by the Ohio Department of Job and Family Services and any decline in a relevant economic sector as set forth by the Federal Reserve Bank.

State awards for economic development issued by the ODOD with a 2020 closeout year fall into three categories: grant, loan and tax credit awards. What follows are brief descriptions of each category, the performance metrics found in the award agreements, an explanation of how the closeout year is calculated and how compliance is determined, and possible remedial actions in the event of noncompliance.

Grant: A typical grant award helps a recipient offset the cost of undertaking an eligible project for business expansion, infrastructure improvements and/or equipment and machinery purchases in exchange for its promises to create and/or retain a specified number of jobs typically within three (3) years after the date of project completion. The recipient must also submit annual progress reports to the ODOD. The project completion date is typically defined in the agreement. Grant funds are typically given as reimbursement for approved project expenditures after the ODOD receives evidence of those expenditures from the award recipient. The final disbursement of funds, therefore, is likely to be proximate with the actual project completion date, if the project completion date is not defined in the agreement. In addition to the job creation and retention commitments, some grant award agreements contain secondary performance metrics such as capital investment, minimum hourly wage and maintenance of operations commitments. However, the ODOD does not use the secondary performance metrics to determine compliance. If a recipient fails to meet the obligations of the agreement, the ODOD may, among other remedial actions, attempt to claw back funds previously disbursed or reduce the amount awarded. For this report, the Auditor determined compliance based on project completion and assessed job creation and job retention commitments – documented in the award agreements.

³ R.C. 125.112(G).

Loan: A loan awarded by the ODOD carries low interest and helps finance an eligible project – say, a land and building acquisition; an expansion; a renovation; or equipment purchases – in exchange for the promise to create and/or retain jobs by the metric evaluation date. Loan awards finance a certain percentage – set forth in the loan agreement – of allowable project costs with loan amounts ranging from \$52,000 to \$4,000,000 for recipients willing to commit to creating or preserving jobs in Ohio. The interest rate is fixed (at or below market rates) with terms similar to those for commercial financing. The metric evaluation dates vary among loan agreements but can be up to three years following either the loan closing date, the last disbursement date, or the project completion date as certified by the award recipient. In cases in which the project completion date was not certified by the recipient, the ODOD generally uses the final disbursement date as the metric evaluation date to determine the award’s closeout year. In addition to job creation and retention commitments, some loan agreements contain secondary performance metrics such as capital investment, minimum hourly wage and maintenance of operations commitments. However, the ODOD does not use the secondary performance metrics to determine compliance. Loan repayments must be current in order for the ODOD to deem a project compliant. The Auditor conferred with the ODOD about the payment status of all loans. Per the ODOD, all loans were current. The Auditor did not document loan status for each borrower within this report, but if the loan was deemed noncompliant, that information is contained in Appendix 5. Award recipients must submit annual progress reports to the ODOD. If a recipient fails to meet its obligations under its loan agreement, the ODOD may increase the interest rate on the outstanding balance of the loan. The Auditor determined compliance based on job creation and job retention commitments – documented in the award agreements.

Tax credit: Typically, a tax credit from the Ohio Tax Credit Authority (TCA) enables an award recipient that is acquiring or upgrading a facility or otherwise expanding its business to claim a credit against the recipient’s state tax liability in exchange for its promises to: (1) create and/or retain jobs within three years of the date that the new or upgraded facility begins operating (“initial operations date”) or within three years of the tax credit effective date, depending on when the TCA approved the tax credit; (2) generate new payroll within three years of the initial operations date; (3) maintain \$660,000 of new payroll throughout the term of the agreement; (4) pay its employees a minimum hourly wage of at least 150% of the federal minimum wage; (5) substantially maintain a specified number of jobs and payroll throughout the remaining term of the agreement (which extends beyond the performance period for purposes of this review); and (6) maintain operations for the greater of seven years or the term of the tax credit agreement plus three years. Award recipients must also submit annual progress reports to the ODOD. The closeout year is determined using the initial operations date or the tax credit effective date, depending on when the award was approved, or the agreed-upon metric evaluation date. Such awards usually have rates for approved projects between one and three percent of new payroll generated for five to seven years. If a tax credit recipient fails to meet the obligations of its award agreement, the ODOD may, among other recommendations, advise the TCA to terminate the agreement, reduce the number of years for which the recipient may claim the credit (reduce the term), reduce the proportional amount that a recipient may claim as a credit in its tax filings (reduce the rate), or require the recipient to refund tax credits received. The ODOD may consider market conditions when making its recommendation; the final decision for remedial action lies with the TCA. For this report, the Auditor determined compliance based on job creation, job retention and payroll commitments – documented in the award agreement.

COMPLIANCE REVIEW METHODOLOGY

In order to maintain the goals of the previous reports (accuracy, efficiency, repeatability), accomplish the additional goals of continuing to improve the review process, and ensure that the Attorney General's Office is complying with its duties under R.C. 125.112(G), the Auditor, for this year's review, used a three-phase method to determine compliance by award recipients. In addition, together with ODOD the Ohio Auditor of State, on behalf of the Attorney General's Office, will continue to ensure the accountability and transparency of state incentives and protect taxpayer investments, as described in Appendix 2.

Recipients of economic development awards were required to submit annual progress reports on the ODOD Salesforce secure portal. The ODOD reporting and quality assurance team would then review the award recipient submissions in the Salesforce application.

Phase 1: Data and Information Collection

The first phase of the Auditor review involved information gathering. The Auditor requested and received files from the ODOD for all state economic development awards with a performance period ending in calendar year 2020. These files included annual reports, award agreements and related amendments, and funding support it had on record. The ODOD identified 48 awards as having performance periods ending in calendar year 2020, but the Auditor determined that one (1) tax credit was out of scope. During review of files received from ODOD in Phase 2 below, the Auditor identified an additional award received that was not included in the provided list. This was added to our list of in-scope awards, for a total of 48 awards in our scope.

Phase 2: Compliance Evaluation

The second phase of the review consisted of an Auditor compliance review of all 48 in-scope award files.

When necessary, Auditor reviewers reached out to ODOD with questions or requests for additional documentation. All noncompliant results were shared with the ODOD. The Auditor, in turn, asked for the results of the ODOD's compliance determination for each award and details of any remedial action taken with noncompliant recipients. The review results are detailed in this report.

Phase 3: Terms and Conditions Evaluation

In the third phase of the review, the Auditor conducted a more detailed examination of 15% – or 7 – award recipients. The sample selection was weighted based on the number of awards of each type. The Auditor randomly selected and reviewed three (3) grants, one (1) loan and three (3) tax credit awards. The Auditor contacted the selected award recipients and requested they provide supporting documentation including payroll records, invoices and financial ledgers used to determine compliance with the agreements. The results of the evaluation are contained in this report.

Grant Awards

The ODOD reported 19 grants with a closeout year of 2020 and a total combined value of \$12.8 million. Three (3) of these were selected for the Phase 3 terms and conditions evaluation by the Auditor. The Auditor evaluated supporting documentation for project expenses to ascertain both eligible costs and compliance with the terms and conditions of the agreements. Additionally, the Auditor reviewed payroll records for contractors to ensure compliance with prevailing wage requirements of Ohio Revised Code Chapter 4115, where applicable.

Phase 3 testing identified one instance of noncompliance. Availability of documentation from the recipient obtained through the ODOD was insufficient to determine allowability of reimbursed expenses.

Overall, the Auditor determined 18 of the Grant Award recipients had complied with the terms and conditions of their award agreements, representing an overall Grant Award compliance rate of 95%. **Noncompliant awardees had received a total of \$3,000,000.**

- Figure 4 details the compliance rate of 2020 closeout Grant Awards by program type:

Grant Compliance Rate by Type

Type of Award	Amount of Award	Number of Award Type	% Compliant	Amount Noncompliant
Roadwork Development	\$12,871,039	19	95%	\$3,000,000

A list of the award recipients that did not comply with the terms and conditions (including certain performance metrics of their agreements) as well as the reasons for noncompliance and any remedial actions being taken by the ODOD can be found in Appendix 3.

Other Matters

For the Roadwork Development grants only, outside of completing the roadwork project, contract language for most of these awards did not require commitments such as job creation or retention. Instead, they contained aspirational commitments. For example, an entity hoped to create a specified number of jobs but ended up not meeting that goal. Because of the contract language, this would not result in noncompliance. The annual report submissions for awards without firm job creation and retention commitments did not require the recipient to disclose its progress toward aspirational commitments; as a result, all 19 Roadwork Development awards were given without firm commitments to create or retain jobs. Roadwork Development recipients are listed in Appendix 2.

An analysis of prior-year Roadwork Development grant documentation showed that the percentage of firm commitments for job creation or retention has been declining for this type of grant. In 2015, slightly more than 63% of such awards required job creation or retention commitments in order to be compliant with the award agreements. In 2018 and 2019 closeout years, no such grants had required commitments to create or retain jobs.

Loan Awards

The ODOD reported 11 loans with a closeout year of 2020 and a total combined value of \$14 million. One (1) Loan Award was selected for the Phase 3 terms and conditions evaluation. Supporting documentation for project expenses were evaluated to ascertain eligible costs and compliance with terms and conditions of the agreements. The Auditor also reviewed the borrower's payroll records to determine compliance with job creation and retention requirements. Finally, awardee files were reviewed to ensure compliance with timely loan repayments, equity contributions and proper insurance coverage.

Phase 3 testing identified no additional noncompliance for the selected award recipient.

The Auditor determined that all eleven (11) of the Loan Award recipients had complied with the terms and conditions of their agreement, representing an overall Loan Award compliance rate of 100%.

- [Figure 5](#) details the compliance rate of 2020 closeout Loan Awards by program type:

Loan Compliance Rate by Type

Type of Award	Amount of Award	Number of Award Type	% Compliant
166 Direct	\$223,154	1	100%
Regional 166 Direct	\$2,495,500	8	100%
Research and Development Investment	\$7,875,000	2	100%

If noncompliance had been noted, a list of award recipients that did not comply with the terms and conditions (including certain performance metrics) as well as the reasons for noncompliance and any remedial actions being taken by the ODOD would have been included in Appendix 4.

Tax Credit Awards

The ODOD reported 18 Tax Credit Awards with a metric evaluation year of 2020 with a total claimed value of \$3,409,595 in 2020. Three (3) tax awards were selected for the Phase 3 evaluation of terms and conditions. To determine compliance, the Auditor reviewed total employee payroll, including Ohio-specific payroll; Ohio income taxes paid by the awardees; and total number of full-time equivalent employees. Additionally, the Auditor independently recalculated the tax credit for all selected 2020 closeouts and confirmed amounts with the ODOD awards.

The Auditor determined that recipients of 13 Tax Credit Awards with a 2020 metric evaluation year were compliant, having met all of commitments outlined in their award agreements. An additional three were deemed substantially compliant. ODOD considers an award recipient substantially in compliance if reported job and payroll amounts within 90% of commitments or fully compliant in the prior year. The findings resulted in an overall Tax Credit Award compliance rate of 89%. **Noncompliant awardees had received a total of \$59,020 in tax credits for 2022.**

Phase 3 testing did not identify any additional noncompliance, however we did note discrepancies in reported Ohio payroll and reported Ohio income tax withheld for two of three tax credit awards when compared to recipient supporting documentation. Auditor-recalculated tax credits resulted in a combined \$9,074 in unsupported tax credit. See appendix 6 for the list of awarded tax credits affected.

- [Figure 6](#) details the compliance rate of 2020 closeout Tax Credit Awards:

Tax Credit Compliance Rate

Type of Award	Amount of Awards	Count of Award	% Compliant
Job Creation	\$3,409,595	18	89%

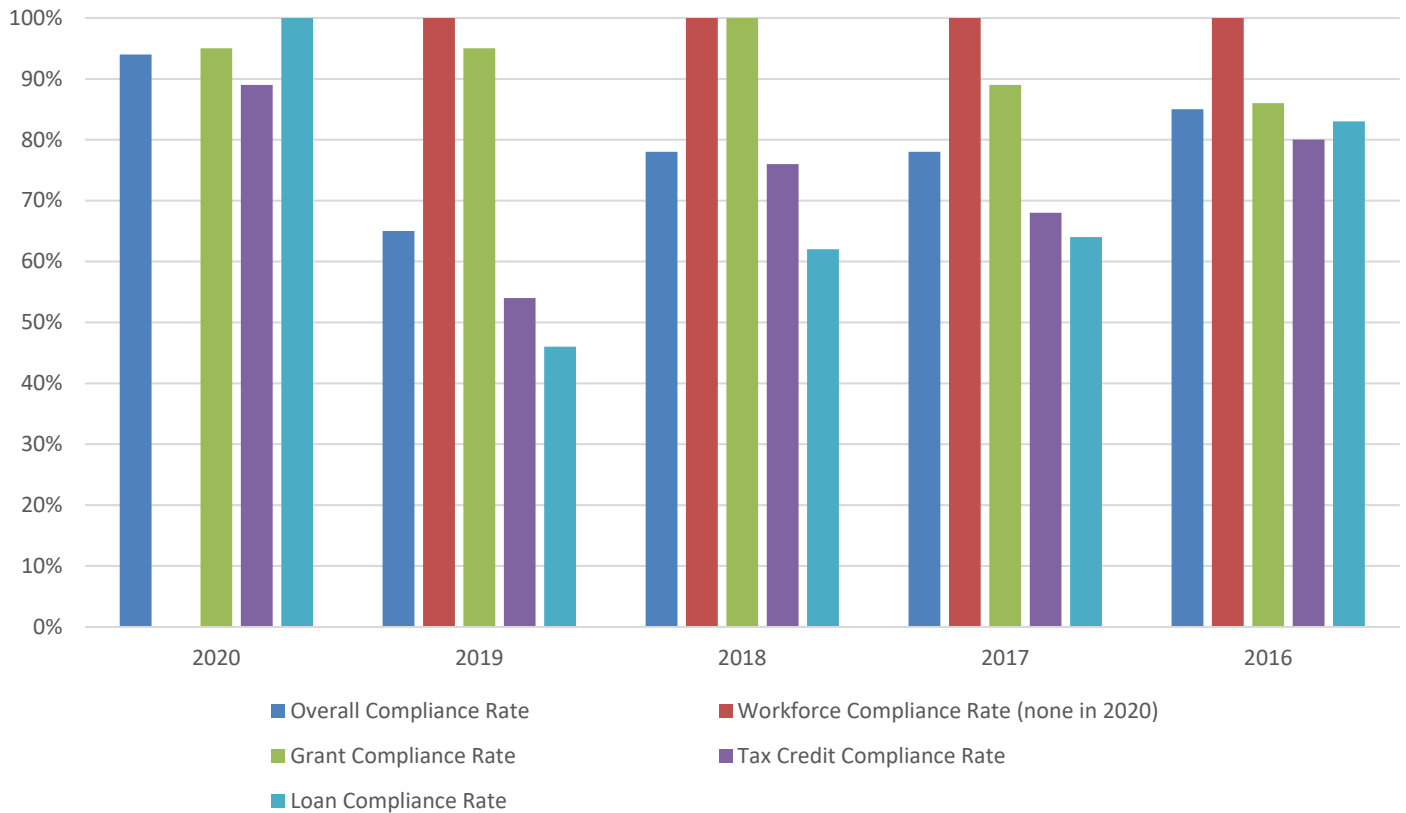
- [Figure 7](#) details the amount of tax credits given to noncompliant awardees:

Tax Credit Noncompliance Amount

Type of Award	Noncompliant	Amount Noncompliant
Job Creation	2	\$59,020

At the discretion of the ODOD, remedial actions may be taken for tax credit awardees that failed to meet either job creation or overall payroll commitments. A list of recipients that did not comply with the terms and conditions (including performance metrics) of award agreements as well as the reasons for noncompliance and any remedial actions being taken by the ODOD can be found in Appendix 5.

Appendix 1: Previous Five Years' Compliance Rates



2020 to 2016 Report Compliance Rates

	2020		2019		2018		2017		2016	
Overall Compliance Rate	45/48	94%	97/149	65%	145/186	78%	213/272	78%	279/329	85%
Workforce Compliance Rate	-	-	1/1	100%	3/3	100%	11/11	100%	33/33	100%
Workforce Training Grant	-	-	1/1	100%	2/2	100%	10/10	100%	20/20	100%
Ohio Workforce Guarantee	-	-	-	-	1/1	100%	1/1	100%	13/13	100%
Grant Compliance Rate	18/19	95%	41/43	95%	42/42	100%	110/123	89%	101/117	86%
Rapid Outreach	-	-	3/3	100%	4/4	100%	36/45	80%	39/52	75%
Roadwork Development	18/19	95%	34/34	100%	32/32	100%	58/58	100%	41/41	100%
Economic Development Contingency	-	-	4/5	80%	4/4	100%	16/19	84%	46/18	89%
Business Investment	-	-	0/1	0%	2/2	100%	0/1	0%	5/6	83%
Tax Credit Compliance Rate	16/18	89%	44/81	54%	71/94	76%	62/91	68%	92/115	80%
Job Creation Tax Credit	16/18	89%	44/81	54%	71/94	76%	59/88	67%	90/113	80%
Job Retention Tax Credit	-	-	-	-	-	-	3/3	100%	2/2	100%
Loan Compliance Rate	11/11	100%	11/24	46%	29/47	62%	30/47	64%	53/64	83%
166 Direct	1/1	100%	2/2	100%	7/11	64%	6/9	67%	14/18	78%
Regional 166 Direct	8/8	100%	7/16	44%	10/12	83%	17/18	94%	22/23	96%
Research & Development Investment	2/2	100%	-	-	3/5	60%	2/4	50%	4/4	100%
Innovation Ohio Loan	-	-	1/4	25%	1/9	11%	2/12	17%	3/9	33%
Ohio Enterprise Bond Fund	-	-	-	-	6/7	86%	2/2	100%	5/5	100%
Minority Business Direct Fund	-	-	-	-	0/1	0%	-	-	1/1	100%
Logistics & Distribution	-	-	1/2	50%	2/2	100%	1/2	50%	4/4	100%

Appendix 2: Breakdown of Roadwork Development Award Recipients

Beneficiary

Brooklyn, City of
 Colerain Township
 Columbus, City of
 Columbus, City of
 Conneaut, City of
 Delphos, City of
 Findlay, City of
 Hamilton County, Board of Commissioners
 Harrison Township
 Mercer County
 Mercer County
 Mount Vernon, City of
 Pickaway County
 Toledo, City of
 Toledo, City of
 Village of Leipsic
 Village of North Randall
 Vinton County
 Wood County Port Authority

Original Program Type

Roadwork Development (629) Grant
 Roadwork Development (629) Grant
 Roadwork Development (629) Grant
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Appendix 3: Noncompliant Grant Award Recipients

Award Recipient	Program Type	Total Amount Received	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Hamilton County, Board of Commissioners	Roadwork Development (629) Grant	\$3,000,000	*Jobs created: 1,400 *Jobs retained: 326	*N/A	Insufficient documentation available to confirm eligibility of project costs	No action taken	No action taken at this time.

**Roadwork Development Grants do not require job creation and retention commitments. Instead, they contain aspirational job creation and retention goals which are not required to be reported by recipient.*

Appendix 4: Noncompliant Loan Award Recipients

Award Recipient	Program Type	Total Amount Awarded	Commitments	Performance	Reason for Non-Compliance	Loan Status	Remedial Action	Comments
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No instances of noncompliance were noted.

Appendix 5: Noncompliant Tax Credit Award Recipients

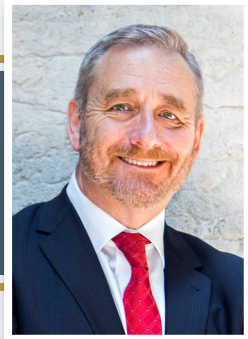
Award Recipient	Program Type	2020 Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Carlisle Brake and Friction, Inc.	Job Creation Tax Credit	\$103,628	Jobs created: 70 Jobs retained: 240 New payroll: \$3,000,000	Jobs created: 51 Jobs retained: 240 New payroll: \$7,374,330	Failure to create committed jobs	No action taken	ODOD determined entity was substantially compliant, having met 100% of commitments in the 2019 reporting period.
FloQast, Inc.	Job Creation Tax Credit	\$9,510	Jobs created: 19 Jobs retained: 6 New payroll: \$1,250,000	Jobs created: 6 Jobs retained: 6 New payroll: \$704,880	Failure to create committed jobs and generate sufficient new payroll	No action taken	No action taken at this time.
Georgia TSS, Inc. (Total System Services, Inc.)	Job Creation Tax Credit	\$49,510	Jobs created: 145 Jobs retained: 0 New payroll: \$5,619,544	Jobs created: 7 Jobs retained: 0 New payroll: \$3,730,986	Failure to create committed jobs and generate sufficient new payroll	No action taken	No action taken at this time.
Hyland Software, Inc.	Job Creation Tax Credit	\$946,616	Jobs created: 887 Jobs retained: 1,120 New payroll: \$69,506,695	Jobs created: 816 Jobs retained: 1,120 New payroll: \$79,267,003	Failure to create committed jobs	No action taken	ODOD determined entity was substantially compliant, having met 90% of commitments in the 2020 reporting period.
Jefferson Corporation Industries	Job Creation Tax Credit	\$95,173	Jobs created: 289 Jobs retained: 509 New payroll: \$15,284,857	Jobs created: 132 Jobs retained: 509 New payroll: \$7,271,300	Failure to create committed jobs and generate sufficient new payroll	No action taken	ODOD determined entity was substantially compliant, having met 100% of commitments in the 2019 reporting period. The 2020 reporting period was the first under an amended agreement, increasing commitments from 20 created jobs and \$680,000 new payroll.

Appendix 6: Tax Credit Recalculations

Tax Credit Award Recipient	Tax Credit %	Tax Credit Calculation Base	Base Reported by Beneficiary	Base per Beneficiary Supporting Documentation	Taxpayer's Awarded Credit	Auditor-Recalculated Taxpayer Credit	Variance
Hyland Software, Inc.	50.000%	Excess Ohio Income Tax Revenue	\$ 4,802,010	\$ 4,793,832	\$ 946,616	\$ 942,527	\$ (4,089)
Koorsen Fire & Security, Inc.	0.991%	Excess Ohio Payroll	\$ 12,909,953	\$ 12,406,953	\$ 93,366	\$ 88,381	\$ (4,985)

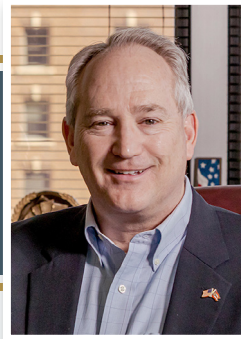
Total Overall Variance: \$ (9,074)

DAVE YOST
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