



**Haynie &
Company**

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Governor's Office of Economic Development
60 East South Temple, 3rd Floor
Salt Lake City, UT 84111

We have performed the procedures enumerated below, which were agreed to by Governor's Office of Economic Development (the "GOED"), solely to assist you with respect to the procedures related to the tax credits (and EDTIF rebates) allowed under Section 63M-1-2405 of the GOED for the years ending July 2006 through July 2013. The Governor's Office of Economic Development is responsible for the accounting records and schedules. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1) Procedure:

On a sample basis, we recalculated the cost of the tax credits (and EDTIF rebates) that are reported on the summary incentives schedules. For purposes of our procedures any difference under \$1.00 was not considered a finding.

Findings:

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

2) Procedure:

We evaluated the purposes and effectiveness of the tax credits, by performing the following:

1. We recalculated on a sample basis the difference between the cost of the tax credits with the benefits received, which is "new state tax revenue."
2. We summarized for the fiscal year 2006 to 2013, the number of instances where the costs of the tax credits exceed the benefits received.

Findings:

In fiscal year 2006, the cost of the tax credits exceeded the benefits received. This was due to 2006 being the start up year for the EDTIF rebate program and only one incentive was paid but 13 were granted. Because this was the initial year the operational costs (program overhead) was greater than the EDTIF new state revenues.

3) Procedure:

We recalculated the extent to which the state has benefited from the tax credits.

Findings:

No exceptions were found as a result of applying the procedure, the average new state revenue earned per dollar spent was calculated to be \$3.19 for the time period covered by our procedures (July 2006 through July 2013).

We found that the state will benefit from these programs beyond the period covered by our report, we did not evaluate the future benefit the state will receive from these programs.

We were not engaged to, and did not, conduct an audit, as defined by generally accepted auditing standards, the objective of which would be the expression of an opinion on the accounting records and financial statements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Governor's Office of Economic Development and those familiar with procedures performed and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script that reads "Haynie & Co".

Haynie and Company

Salt Lake City, Utah

January 31, 2014