

**ATTESTATION REPORT
OF THE
CITY OF BENKELMAN TIF PROJECTS**

**TIF PROJECTS APPROVED
THROUGH DECEMBER 31, 2020**

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Issued on March 11, 2021

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Audit Staff Working On This Examination

Craig Kubicek, CPA, CFE – Assistant Deputy Auditor

Lucas Post, CPA – Auditor II

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Nebraska Auditor of Public Accounts

State Capitol, Suite 2303

P.O. Box 98917

Lincoln, Nebraska 68509

Phone: 402-471-2111

CITY OF BENKELMAN TIF PROJECTS

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CITY OF BENKELMAN TIF PROJECTS

BACKGROUND

The Auditor of Public Accounts (APA) has contracted with Dundy County to analyze and test certain Tax Increment Financing (TIF) projects for, among things, compliance with requirements of the Community Development Law, which is set out at Neb. Rev. Stat. §§ 18-2101 to 18-2155 (Reissue 2012, Cum. Supp. 2020).

Authorized under Article VIII, § 12, of the Nebraska Constitution, TIF works by allowing a municipality to create a redevelopment authority for the purpose of helping to rehabilitate an area designated as “substandard and blighted” or “extremely blighted” by the local governing body. Public funds may be expended on that redevelopment project and are repaid by dividing the property tax on the formerly blighted area. The “base” tax, which is determined by the value of the property immediately prior to the redevelopment work, continues to be paid to the governing body. Meanwhile, the “excess” tax paid on any subsequent increase in property value resulting from the redevelopment work is paid into a separate fund for the sole purpose of relieving the debt incurred by the redevelopment project. When that debt is paid in full or after 15 years, whichever comes first, the entire property tax on the redeveloped land is paid once more to the governing body. TIF is made available to Nebraska municipalities through the Community Development Law and certain supplemental statutes.

On January 17, 2011, the City of Benkelman (City) established a five-member Community Redevelopment Authority (CRA) to rehabilitate substandard and blighted areas within the municipality through TIF projects. The CRA is included as a discretely presented component unit within the City’s annual audit conducted by AMGL, P.C.

The APA received accounting ledgers dating back to 2011 regarding the TIF projects in Benkelman.

Since its creation, the CRA has designated three TIF projects within the City. The following is a brief summary of those projects to date.

1. Gavilon Grain Project

The Gavilon Grain Project (Gavilon Project) began in 2011 to build a grain receiving, storage, and shipping facility on site. TIF was used for general infrastructure in the blighted area, including installing electrical lines, site acquisition, and other costs. The TIF indebtedness was \$700,000 at four percent interest.



CITY OF BENKELMAN TIF PROJECTS

BACKGROUND
(Concluded)

2. 906 Chief Street Project

The 906 Chief Street project began in 2017 to build a three bedroom, two-bath, single-family home. TIF was used for concrete work, landscaping, and construction of the new residence. The CRA granted \$15,000 to West Central Nebraska Development District (Redeveloper) for the project.



3. Collinsville One Project

The Collinsville One Project began in 2020 to build a 4,500 square foot, five-bedroom, four-bathroom, and three-car garage, single-family home at 1302 Cheyenne Street. TIF was used for lot preparation, infrastructure improvements, and construction of the new residence. The CRA granted \$15,000 to Trevor and Molly Horner (Redeveloper) for the project.



CITY OF BENKELMAN TIF PROJECTS

KEY OFFICIALS

Community Redevelopment Authority Board Members

Name	Title
Greg Burrows	Member
Buck Menuez	Member
Mary Deyle	Member
Randall Raile	Member
Michael Aldridge	Member

Community Redevelopment Authority Staff

Name	Title
Megan Spargo	CRA Coordinator
Diane Rosenfelt	CRA Treasurer and Clerk/Treasurer for the City

City of Benkelman CRA
126 7th Avenue East
P.O. Box 347
Benkelman, NE 69021
www.benkelmanusa.com/cra

CITY OF BENKELMAN TIF PROJECTS

SUMMARY OF COMMENTS

During our examination of the City of Benkelman's (City) TIF Projects, we noted certain deficiencies and other operational matters that are presented here. The following comments are required to be reported in accordance with *Government Auditing Standards*: Comments #1 ("Excessive TIF Payments Received by CRA – Gavilon Project,") and #3 ("Lack of Documentation Supporting TIF Projects"), both of which are considered to be significant deficiencies.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. ***Excessive TIF Funding Received by CRA – Gavilon Project:*** The CRA has received ad valorem taxes far in excess of the amount needed to pay off the debt incurred by the Gavilon Project. Rather than using that excessive TIF funding to satisfy the outstanding project debt, the CRA has allowed that indebtedness to persist and used the tax money received for other expenses. As of December 31, 2020, Dundy County had distributed \$1,241,716 in ad valorem taxes to the CRA, which exceeds the Gavilon Project's total debt by more than half a million dollars. Moreover, because Dundy County has not been notified of the overpayments, the CRA stands to receive hundreds of thousands of dollars of additional unneeded ad valorem tax disbursements in 2021.
2. ***Improper Use of Ad Valorem Taxes by CRA:*** The CRA is charging multiple administrative fees against the ad valorem taxes received. The APA questions the legality of both withholding administrative fees and continuing to collect ad valorem taxes after the underlying project indebtedness has been paid.
3. ***Lack of Documentation Supporting TIF Projects:*** The APA requested documentation to support the three TIF projects; however, the CRA failed to provide several of the items requested.
4. ***Incorrect Ad Valorem Taxes Received by CRA:*** The CRA received an incorrect amount of excess ad valorem taxes for calendar year 2020.
5. ***Failure to Respond Timely to APA Records Request:*** The CRA Coordinator failed to comply with State law requiring her to provide the APA with timely access to requested records.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the City's TIF Projects

Draft copies of this report were furnished to the CRA to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

1. **Excessive TIF Funding Received by CRA – Gavilon Project**

In July 2011, the CRA issued bonds totaling \$700,000, at four percent interest, to pay for the Gavilon Project. However, as of December 31, 2020, Dundy County has distributed \$1,241,716 in excess ad valorem taxes to the CRA, which is almost twice the amount required to cover the bonded debt, as shown in the following table:

Description of Project Distributions and Debt	Amount
Net Tax Distributed By Dundy County	\$ 1,241,715.78
Gavilon Payments to CRA for Tax Shortfall (Note 1)	\$ 168,496.50
Total CRA Payments to Gavilon	\$ (786,538.34)
Net Distributions over Debt Payments	\$ 623,673.94
Principal Balance Remaining After (October 2020 Payment)	\$ (89,267.81)
Calculated Interest (As of January 31, 2021)	\$ (1,193.50)
Total Principal and Interest Remaining	\$ (90,461.31)
Amount Due to Dundy County at January 31, 2021	\$ 533,212.63

Note 1: In 2012, 2013, and 2014, Gavilon paid the CRA for tax shortfalls because the ad valorem tax was not enough to cover the bond payments.

The more than half a million dollars in excess ad valorem taxes received by the CRA should be refunded to Dundy County immediately, so the property taxes collected can be distributed to the public bodies entitled to receive them.

Neb. Rev. Stat. § 18-2147(1)(b) (Cum. Supp. 2020) provides, in relevant part, the following:

When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies.

(Emphasis added.) Despite acquiring almost twice as much TIF funding as needed to satisfy all of the indebtedness incurred by the Gavilon Project, the CRA has delayed paying off that debt. This has allowed the CRA to avoid making the notifications required under § 18-2147(1)(b), as verified by the APA, resulting in continued unnecessary TIF funding for the project. Without such notifications, the CRA could receive over \$210,000 in additional ad valorem taxes in 2021, based on the 2020 excess property valuation. See **Exhibit A** for a listing of ad valorem receipts and disbursements for the Gavilon Project.

The terms of the Gavilon Project bond document allow the CRA to prepay the bond principal – which, due to the excessive amount of TIF funding received, could have been done some four years ago. Instead, the CRA has been making only the minimum payments, allowing the excess accumulated amounts in its special bond fund to be used for financing undertakings other than the Gavilon Project.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Excessive TIF Funding Received by CRA – Gavilon Project (Continued)

Copied below is the amortization schedule for the Gavilon Project bond:

Date	Total Payment	Interest Amt	Principal Amt	Balance	Days	Date Paid
7/6/2011				\$ 700,000.00		
10/1/2012	\$ 48,133.33	\$ 34,144.44	\$ 13,988.89	\$ 686,011.11	439	10/11/2012
11/15/2012		\$ 1,088.92		\$ 686,011.11	14	11/15/2012
6/1/2013	\$ 46,000.00	\$ 18,522.30	\$ 27,477.70	\$ 658,533.41	243	5/28/2013
10/1/2013	\$ 46,000.00	\$ 8,926.79	\$ 37,073.21	\$ 621,460.20	122	9/17/2013
6/1/2014	\$ 46,000.00	\$ 16,779.43	\$ 29,220.57	\$ 592,239.62	243	6/4/2014
10/1/2014	\$ 46,000.00	\$ 8,028.14	\$ 37,971.85	\$ 554,267.76	122	10/17/2014 47,316.09
6/1/2015	\$ 46,000.00	\$ 14,965.23	\$ 31,034.77	\$ 523,232.99	243	5/13/2015
10/1/2015	\$ 46,000.00	\$ 7,092.71	\$ 38,907.29	\$ 484,325.70	122	9/12/2015
6/1/2016	\$ 46,000.00	\$ 13,076.79	\$ 32,923.21	\$ 451,402.50	243	5/18/2016 # 205
10/1/2016	\$ 46,000.00	\$ 6,119.01	\$ 39,880.99	\$ 411,521.51	122	7/15/2016 # 225
6/1/2017	\$ 46,000.00	\$ 11,111.08	\$ 34,888.92	\$ 376,632.59	243	5/22/2017 # 263
10/1/2017	\$ 46,000.00	\$ 5,105.46	\$ 40,894.54	\$ 335,738.05	122	9/26/2017 # 287
6/1/2018	\$ 46,000.00	\$ 9,064.93	\$ 36,935.07	\$ 298,802.98	243	5/21/2018 # 318
10/1/2018	\$ 46,000.00	\$ 4,050.44	\$ 41,949.56	\$ 256,853.42	122	7/20/2018 # 344
6/1/2019	\$ 46,000.00	\$ 6,935.04	\$ 39,064.96	\$ 217,788.46	243	5/13/2019 # 375
10/1/2019	\$ 46,000.00	\$ 2,952.24	\$ 43,047.76	\$ 174,740.71	122	9/16/2019 # 387
6/1/2020	\$ 46,000.00	\$ 4,718.00	\$ 41,282.00	\$ 133,458.70	243	5/27/2020 # 419
10/1/2020	\$ 46,000.00	\$ 1,809.11	\$ 44,190.89	\$ 89,267.81	122	9/17/2020 # 447
6/1/2021	\$ 46,000.00	\$ 2,410.23	\$ 43,589.77	\$ 45,678.04	243	
10/1/2021	\$ 46,297.23	\$ 619.19	\$ 45,678.04	\$ 0.00	122	
Total	\$ 876,430.56	\$ 177,519.48	\$ 700,000.00			

Based upon this amortization schedule, the CRA could have paid off the remaining Gavilon Project debt after receiving the August 2017 distribution of TIF monies from the County. At that time, the principal balance of the bond was \$376,632.59, while the CRA should have had well over \$400,000 in reserves to cover both the principal balance and any interest accrued thereon. Thus, the CRA should have extinguished the debt in full and made the notifications required under § 18-2147(1)(b). See **Exhibit A** for the reserve details.

The APA also calculated the bond payment schedule based solely on the total amount of TIF monies that Dundy County disbursed to the CRA, along with the shortfall received from Gavilon. Had the CRA applied toward the debt all of the ad valorem tax monies and tax shortfall received, the bond would have been paid off in 2017 as well.

Instead, the CRA chose to horde the ad valorem taxes, using them to pay for expenses unrelated to the Gavilon Project. Some of those extraneous payments were for different TIF projects and other CRA costs, including the following:

- CRA coordinator’s salary.
- Fitness center project.
- Other property demolition and cleanup.
- Loans to a day care and grocery store.
- Property acquisitions.
- Audit costs.
- Property tax payments to Dundy County on other CRA properties.
- Swimming pool expenses.
- Gift cards from local businesses, including The Liquor Store, Beth’s Bar and Grill, Val’s Beauty, Seize the Daisy, and Weight Buffet.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Excessive TIF Funding Received by CRA – Gavilon Project (Continued)

Additionally, on the same day as issuing bonds worth \$700,000 in July 2011, the CRA paid \$60,000 to Bacon & Vinton, LLC, a Gothenburg, NE, law firm, for legal assistance with the TIF process.

Section 18-2147(1)(b), which was cited previously, also provides the following:

That portion of the ad valorem tax on real property, as provided in the redevelopment contract, bond resolution, or redevelopment plan, as applicable, in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project.

The Nebraska Department of Revenue (Department) has promulgated administrative rules and regulations to assist with implementation of the Community Development Law's provisions. In particular, Title 350 NAC 18-003.03C(2) (March 15, 2009) provides, as is relevant, the following:

The resulting real property tax calculated for the redevelopment project excess valuation shall be distributed by the county treasurer to the local governing body charged with the responsibility of paying the indebtedness of the project. The local governing body shall credit the tax to a special fund to be used for the sole purpose of paying the indebtedness incurred for the project for which the taxes were pledged.

(Emphasis added.) As with all other administrative regulations “properly adopted and filed with the Secretary of State of Nebraska,” the above Department directive has “the effect of statutory law.” Ash Grove Cement Co. v. Neb. Dep't of Revenue, 306 Neb. 947, 963, 947 N.W.2d 731, 743 (2020).

The 2010 Redevelopment Plan (Benkelman CRA Area #1) deals exclusively with the Gavilon Project. In the “Executive Summary” on the first page of that document, the “Project Description” begins as follows:

Gavilon, LLC, a Delaware limited liability company, has acquired a site on the western edge of the City of Benkelman where it intends to invest more than \$11,000,000 for a modern grain elevator.

Likewise, the singular focus of the 2011 Redevelopment Contract is the Gavilon Project. Section 4.01(a) (“Construction Project”) of that document says, in part, “Redeveloper will build a grain receiving, storage and shipping facility on the Redeveloper Project Site.”

Additionally, Section 3.01(b) (“Division of Taxes”) of the Redevelopment Contract requires compliance with § 18-2147(1)(b), stating the following:

That proportion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Project shall be paid into the funds of the respective public bodies.

Section 3.05 (“Creation of Fund”) of the Redevelopment Contract goes on to require the following:

The Authority will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Sections 3.02 and 3.03 above.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

1. **Excessive TIF Funding Received by CRA – Gavilon Project** (Continued)

Despite these clear directives from State statute, administrative regulation, and contractual provisions, the CRA has taken the position that the TIF money received specifically for the Gavilon Project does not have to be spent exclusively for that undertaking. This is because of the following language in the “Project Description” of the Redevelopment Plan:

The increased taxes from the Gavilon project, during the 15 years will also support an additional bond issue, the proceeds of which will support other needed improvements in the blighted and substandard area.

In a December 21, 2020, letter to Dundy County Attorney Gary F. Burke, CRA attorney Charles K. Bunger made that very argument, stating the following:

The Redevelopment Plan referenced several redevelopment projects and designated an initial redevelopment site that would produce excess ad valorem taxes to fund the tax increment financing (hereinafter “TIF”) portion of such projects.

Such an assertion is problematic for a number of reasons. To start, contrary to the “Project Description” language quoted above, no additional bonds or debt have been issued to support the other project costs paid for with the excess TIF funds received for the Gavilon Project. Mr. Bunger’s letter acknowledges this.

More importantly, none of the “other needed improvements” purchased with TIF funds designated specifically for the Gavilon Project had any relation whatsoever to that particular venture. Rather, they were costs associated with completely different projects, reported separately to the Dundy County Assessor as distinct and unique activities. This contravenes the above-cited Department directive that TIF funding must be used “for the sole purpose of paying the indebtedness incurred for the project for which the taxes were pledged.”

In his letter to the County Attorney, Mr. Bunger defends the CRA’s actions by also referencing Neb. Rev. Stat. § 18-2107 (Cum. Supp. 2020), which sets out the powers and duties of a CRA. Specifically, Mr. Bunger highlights subsection (4) of that statute – which, among other things, authorizes a CRA to “establish a revolving loan fund.” The apparent implication is that the more than half a million dollars of excess ad valorem taxes collected for the Gavilon Project constitutes a revolving loan fund of sorts.

The Legislature amended § 18-2107(4) through passage of 2018 Neb. Laws, LB 874, § 9, which became effective on July 19, 2018. Since then, that subsection of statute has concluded with this express language:

[T]he proceeds from indebtedness incurred for the purpose of financing a redevelopment project that includes the division of taxes as provided in section 18-2147 shall not be used to establish a revolving loan fund.

The use of the Gavilon Project TIF monies as a revolving loan fund for other project expenses occurred as recently as 2020, well after the above statutory prohibition became operative. The issue of a revolving fund aside, the Department’s binding interpretation of § 18-2147(1)(b) is clear. TIF funding is particular to a given project and may not be shared among various other projects.

Additionally, Mr. Bunger’s letter to the County Attorney notes that, per Neb. Rev. Stat. § 18-2143 and § 18-2153 (Cum. Supp. 2020), respectively, both the Community Development Law and supplementary sections of statute are to be “liberally construed.” Such a liberal construction, he urges, lends support to the validity of the CRA’s activities. As the Nebraska Supreme Court has explained, however, a “liberal construction is not a license to fail to comply with the primary requirements” of the law. Hawkins v. Delgado, 308 Neb. 301, 310 (2021).

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Excessive TIF Funding Received by CRA – Gavilon Project (Concluded)

Finally, it should be noted that § 18-2147(3)(b) permits a standard redevelopment project to receive TIF funding for 15 years after its effective date. This does not mean that, as described herein, a CRA is entitled to continue accumulating excess ad valorem tax monies long after sufficient funding has been received to pay off a project's debts. Nor should the debt repayment schedule be extended unnecessarily for the full period allowed under that statute. The result of either scenario would be to deny local political subdivisions the tax revenues to which they would otherwise be entitled. Given that § 18-2147(1)(b) restricts the use of TIF funding to paying for the costs of a specifically designated project, moreover, garnering excess ad valorem tax monies can serve no legitimate purpose.

According to an audit of the City of Benkelman, the CRA had only \$104,901 in cash and cash equivalents as of September 30, 2019; however, it should have had at least \$500,000 in ad valorem tax reserves for the Gavilon Project alone. Both the large anticipated reserve amount and the surprising shortfall, which reveals the extent to which Gavilon Project TIF funds have been expended for unrelated costs, appear inappropriate under the Community Development Law.

Good internal controls require procedures to ensure the following: 1) the county treasurer and assessor are notified when a TIF project loan is paid off, allowing for the timely cessation of further TIF funding for that project; and 2) TIF monies are not hoarded unnecessarily by a CRA but used solely to pay the indebtedness incurred by the project for which those excess ad valorem taxes were pledged.

Without such procedures, there is an increased risk for not only loss or misuse of TIF funds but also failure to comply with State law.

We recommend the CRA use the TIF monies received to pay off immediately the remaining debt balance for the Gavilon Project, refunding to Dundy County any other excess ad valorem taxes accumulated. Upon satisfying that debt, the CRA should notify Dundy County that the TIF project is complete, so the property taxes collected can be distributed to the public bodies entitled to receive them. We also recommend the CRA ensure funding for future TIF projects is handled in strict compliance with the provisions of the Community Development Law.

We are referring the information herein to both the Nebraska Attorney General and the Dundy County Attorney for further review.

2. Improper Use of Ad Valorem Taxes by CRA – Two Residential Projects

The CRA granted \$15,000 apiece to the redeveloper for the City of Benkelman's (City) two residential TIF projects – the 906 Chief Street Project and the Collinsville One Project. Those amounts are to be repaid with the excess ad valorem taxes distributed to the CRA. However, as outlined in the redevelopment agreements for these two projects, the CRA is charging multiple administrative fees against the TIF funds received. The APA questions both the withholding of administrative fees and the CRA's plan to continue collecting excess ad valorem taxes after having paid off the grants.

The following wording is included in the redevelopment agreements for both residential TIF projects:

*Upon payment of the ad valorem taxes by the Redeveloper based upon the Redeveloper Improvements on the Project Site, the CRA shall annually capture the Tax Increment and (i) **reimburse the CRA on a ten percent (10%) administrative fee** (based upon such Tax Increment), and (ii) **reimburse the Dundy County Treasurer a two percent (2%) administrative fee** (based upon such Tax Increment), and (iii) recover the amount of the Grant. **Any Tax Increment generated by the Project in excess of the amounts set forth above shall be retained by the CRA** to assist in the payment of the cost of the Public Improvements to be made by the CRA and/or the City in the Redevelopment Area consistent with the Redevelopment Plan.*

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Improper Use of Ad Valorem Taxes by CRA – Two Residential Projects** (Concluded)

(Emphasis added.) To start, the Community Development Law contains no express provision for the payment of governmental administrative fees. Under Neb. Rev. Stat. § 33-114 (Reissue 2016), moreover, the County Treasurer already retains one percent of the receipts to recoup costs prior to distributing the money to the City and the CRA. That statute says, in part, “On all sums collected, such percentage shall be allowed but once.” Regardless, according to the Dundy County Treasurer, the CRA has not paid any of the two percent administration fee specified in the redevelopment agreement to the County.

Additionally, as discussed in the previous comment, Neb. Rev. Stat. § 18-2147(1)(b) (Cum. Supp. 2020) requires the excess ad valorem taxes to “be used solely” for the payment of principal and interest in connection with the money advanced or indebtedness incurred. Furthermore, in Title 350 NAC 18- 003.03C(2) (March 15, 2009), the Department of Revenue has clarified that TIF funds are “to be used for the sole purpose of paying the indebtedness incurred for the project for which the taxes were pledged.” After all such financial obligations have been fully satisfied, Neb. Rev. Stat. § 18-2147(1)(b) (Cum. Supp. 2020) directs the county assessor and the county treasurer to be notified and the ad valorem taxes to be paid into the funds of the respective public bodies.

Based on the amount of TIF funding obtained already, as well as that projected to be received in the future, the APA anticipates both of the \$15,000 grants to be paid off during the year 2024. The 2020 TIF monies, to be distributed in 2021, were used to estimate future ad valorem tax receipts.

The following chart details the CRA’s likely repayment schedule:

Project	Year Tax to be Received by CRA	Projected Ad Valorem Tax
906 Chief Street	2019	\$ 2,401.09
906 Chief Street	2020	\$ 2,720.38
906 Chief Street	2021	\$ 2,517.83
906 Chief Street	2022	\$ 2,517.83
906 Chief Street	2023	\$ 2,517.83
906 Chief Street	2024	\$ 2,517.83
Total Ad Valorem Taxes		\$ 15,192.79
Collinsville One	2021	\$ 4,720.34
Collinsville One	2022	\$ 4,720.34
Collinsville One	2023	\$ 4,720.34
Collinsville One	2024	\$ 4,720.34
Total Ad Valorem Taxes		\$ 18,881.36

Good internal controls require procedures to ensure that TIF funds are handled and disbursed according to State law.

Without such procedures, there is an increased risk for not only loss or misuse of TIF funds but also lack of statutory compliance.

We recommend the CRA implement procedures to ensure excess ad valorem taxes received are properly distributed and used only for those purposes authorized under the Community Development Law. In particular, such TIF funds – including those set aside for various administrative fees – received for the 906 Chief Street Project and the Collinsville One Project should be used exclusively for paying off the \$15,000 grants associated therewith.

We are referring the information herein to both the Nebraska Attorney General and the Dundy County Attorney for further review.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Lack of Documentation Supporting TIF Projects

The CRA has failed to provide numerous documents to the APA supporting the City of Benkelman’s (City) three TIF projects. On January 7, 2021, the APA emailed to the CRA a listing of documents needed for the present audit; however, many of those items remain outstanding as of February 23, 2021.

The following table provides a summary of both the documentation requested by the APA and the incomplete information received from the CRA.

Date Requested	Description of Item Requested	Project Documentation Received			Description (See Note Reference for Additional Information Below)	
		Gavilon	906 Chief	Collinsville One		
1/7/2021	Bank statements for the Special Fund.	Yes			This was provided by the City Clerk’s office. The CRA uses one bank account for all projects.	
1/7/2021	Supporting accounting records (receipts and disbursements) for the Special Fund.	Yes			The APA received a PDF copy of a payment and deposit register from 1/1/2011 through 9/10/2020. The activity for all three TIF projects goes into the one Special Fund.	(a)
1/7/2021	Signed copies of the Redevelopment Plans for each project, including any amendments thereto.	Yes	No	No	Only one plan – the plan for the Gavilon Project – was provided.	(b)
1/7/2021	Signed copies of any Redevelopment Agreements.	No	Yes	Yes	The Redevelopment Agreement received for the Gavilon Project was unsigned.	
1/7/2021	Signed copy of the General Redevelopment Plan for the City (Comprehensive Plan).	No			No information has been provided for the General Redevelopment Plan for the City, as the plan provided was specific only to the Gavilon Project.	(b)
1/7/2021	Board meeting minutes declaring the Redevelopment Area as blighted or substandard.	No	No	No	The APA was provided a resolution declaring an unrelated property as blighted and substandard.	(c)
1/7/2021	Board meeting minutes approving the Redevelopment Plan.	No	No	No	The public notice for the Gavilon Project was provided. However, no meeting minutes or resolution showing approval of the Redevelopment Plan was provided to the APA.	(c)
1/7/2021	Proof of publication for the public hearing regarding the approval of the Redevelopment Plan.	Yes	No	No	Proof of publication for the Gavilon Project was notarized on January 28, 2021, after the APA’s inquiries for documentation and over a decade after the public hearing notice was printed in the newspaper.	(b)
1/7/2021	Proof of publication for the public notice to bid the redevelopment work.	N/A	No	No	The CRA never owned the Gavilon Project land; thus, the APA would not expect it to have been bid out. However, nothing was received for the other two projects.	(d)
1/7/2021	List of total expenditures for the project.	No	No	No	The CRA did not provide a listing of expenditures for any of the projects.	(e)
1/7/2021	Bond, debt, or grant documentation, including issuance and amortization schedules.	Yes	No	No	For the 906 Chief Street and Collinsville One projects, only a grant amount of \$15,000 was provided; however, no documentation, including issuance and amortization schedules, was made available.	

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Continued)

Date Requested	Description of Item Requested	Project Documentation Received			Description (See Note Reference for Additional Information Below)	
		Gavilon	906 Chief	Collinsville One		
1/7/2021	Copy of the cost-benefit analysis conducted prior to approval of the plan.	Yes	No	Yes	For the Gavilon Project, the cost-benefit analysis was included in the Redevelopment Plan provided. A separate cost-benefit analysis was provided for the Collinsville One Project but not for the 906 Chief Street Project.	
1/19/2021	Updated QuickBooks ledger from Excel through December 31, 2020.	No			The CRA provided a profit and loss report from QuickBooks in PDF, which is not what the APA requested.	
1/19/2021	CRA bidding procedures for selling land to the redevelopers for the 906 Chief Street and Collinsville One projects and copies of the proposals received.	N/A	No	No	The CRA never owned the Gavilon Project; thus, we would not expect it to have been bid out. However, nothing was provided for the other two projects.	(d)
1/19/2021	For the 906 Chief Street Project, did the CRA receive any funds back after the West Central Nebraska Development District sold the property? If so, how much was received?	N/A	N/A	Yes	On January 29, 2021, the CRA responded that it did not receive any funds from the sale.	
1/19/2021	Blight study for all three projects per Neb. Rev. Stat § 18-2101.02 (Cum. Supp. 2020).	No	No	No	A resolution was provided for approving an area as blighted and substandard for a project not being tested by the APA.	(f)
1/19/2021	For the Gavilon Project, the Redevelopment Plan mentions a "Land-use" map. We will need a copy of this.	Yes	N/A	N/A	Land-use map mentioned has been provided.	
1/19/2021	Per the County Assessor's records for the 906 Chief Street Project and the Collinsville One Project, the land was sold by the CRA. Please provide the purchase agreements for both of these sales.	N/A	Yes	Yes	Purchase agreements were provided.	
1/19/2021	The City provided bank statements in conjunction with the Gavilon Project. We identified two checks, #445 and #446, for which we would like both a brief description of their purpose and any available supporting documentation.	No			The CRA did not respond to this request.	

Provided below are additional details, which coincide with the column notes, for the requests described in the above table.

a) ***CRA Accounting Records***

The CRA is using one Special Fund and bank account for all three TIF projects. However, the CRA does not appear to be tracking the excess ad valorem tax receipts and disbursements separately for each project. For example, Dundy County distributed 906 Chief Street Project ad valorem taxes of \$1,125.79 on September 10, 2019. As shown below, however, the CRA recorded the deposit in its register under the "Tiff-Gavilon" account.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Continued)

City of Benkelman Community Redevelopment Authority							9/10/2020 10:36 AM	
Register: CRA								
From 01/01/2011 through 09/10/2020								
Sorted by: Date, Type, Number/Ref								
Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance	
09/13/2019		D C Treasurer	Tiff-Galivon	sept		1,125.79	150,482.04	

As explained at the outset of this report, § 18-2147(1)(b) provides a mechanism for funding TIF projects with excess ad valorem taxes. The Nebraska Department of Revenue (Department) has promulgated administrative rules and regulations to assist with the implementation of that, as well as other provisions, of the Community Development Law. In particular, Title 350 NAC 18-003.03C(2) (March 15, 2009) provides, as is relevant, the following:

The resulting real property tax calculated for the redevelopment project excess valuation shall be distributed by the county treasurer to the local governing body charged with the responsibility of paying the indebtedness of the project. The local governing body shall credit the tax to a special fund to be used for the sole purpose of paying the indebtedness incurred for the project for which the taxes were pledged.

b) *Redevelopment Plans*

The CRA did not provide a Redevelopment Plan that appeared to cover each of the three TIF projects. Rather, the plan provided was specific only to the Gavilon Project.

A Redevelopment Plan may be approved when, among other things, it is in conformity with the General Plan. Neb. Rev. Stat. § 18-2116(1) (Cum. Supp. 2020) provides, in relevant part, the following:

Following the public hearings required under section 18-2115, the governing body may approve a redevelopment plan if (a) it finds and documents in writing that the plan is feasible and in conformity with the general plan for the development of the city as a whole

(Emphasis added.) In fact, per Neb. Rev. Stat. § 18-2110 (Cum. Supp. 2020), a Redevelopment Plan may not be “submitted or recommended to the governing body of the city in which the redevelopment project area is located until a general plan for the development of the city has been prepared.”

The APA is unable to opine upon compliance with either § 18-2116(1) or § 18-2110 because the General Plan for those projects has never been provided.

Similarly, the Redevelopment Plan for each project must meet the requirements set out in Neb. Rev. Stat. § 18-2111(1) (Cum. Supp. 2020), which states the following:

The authority may itself prepare or cause to be prepared a redevelopment plan or any person or agency, public or private, may submit such a plan to an authority. A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the redevelopment project area, and shall include without being limited to: (a) The boundaries of the redevelopment project area, with a map showing the existing uses and condition of the real property therein; (b) a land-use plan showing proposed uses of the area; (c) information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment; (d) a statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances; (e) a site plan of the area; and (f) a statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Continued)

Once again, the APA is unable to determine whether the Redevelopment Plan for either the 906 Chief Street Project or the Collinsville One Project complied with § 18-2111(1) because neither of those were provided in response to the APA's request for them.

In addition, Neb. Rev. Stat. § 18-2115.01 (Cum. Supp. 2020) sets out the requirements for the notice that must be given prior to holding a public hearing regarding a Redevelopment Plan, as follows:

(1) For any hearing to be held pursuant to section 18-2101.02, 18-2109, or 18-2115:

(a) The notice of hearing shall:

(i) Be published at least once a week for two consecutive weeks in a legal newspaper in or of general circulation in the community;

(ii) Be given to any neighborhood association which is registered under subsection (2) of this section and whose area of representation is located in whole or in part within a one-mile radius of the area to be declared extremely blighted under section 18-2101.02, the area to be declared substandard and blighted under section 18-2109, or the area to be redeveloped in the redevelopment plan or substantial modification thereof under section 18-2115; and

(iii) Be given to the president or chairperson of the governing body of each county, school district, community college area, educational service unit, and natural resources district that includes the real property to be declared extremely blighted under section 18-2101.02, the real property to be declared substandard and blighted under section 18-2109, or the real property subject to the redevelopment plan or substantial modification thereof under section 18-2115;

(b) The time of the hearing shall be at least ten days from the last publication of notice under subdivision (1)(a)(i) of this section;

(c) The notice of hearing described in subdivision (1)(a)(ii) of this section shall be given at least ten days prior to the hearing, shall be sent in the manner requested by the neighborhood association, and shall be deemed given on the date it is sent to the neighborhood association. The notice of hearing described in subdivision (1)(a)(iii) of this section shall be given at least ten days prior to the hearing, shall be sent by certified mail, return receipt requested, to the president or chairperson of the governing body, and shall be deemed given on the date it is mailed by certified mail to the president or chairperson; and

(d) The notice of hearing shall include the following information:

(i) The time, date, place, and purpose of the hearing;

(ii) A map of sufficient size to show the area to be declared extremely blighted under section 18-2101.02, the area to be declared substandard and blighted under section 18-2109, or the area to be redeveloped in the redevelopment plan or substantial modification thereof under section 18-2115, or information on where to find such map;

Despite the APA's request for it, proof of publication for the notice required under § 18-2115.01 has not been provided for either the 906 Chief Street Project or the Collinsville One Project. Given the simplicity of both that request and the anticipated compliance with it – not to mention the lack of any explanation for the subsequent noncompliance – the APA is left to conclude that either no such notice was given or the required hearings never took place.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Continued)

c) **Board Minutes**

Prior to declaring an area “extremely blighted” or “blighted or substandard” for purposes of the Community Development Law, a series of public hearings must be held – including one by the Board, at which “all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration.”

For an “extremely blighted” declaration, Neb. Rev. Stat. § 18-2101.02 (Cum. Supp. 2020) provides, in relevant part, the following:

(1) For any city that (a) intends to carry out a redevelopment project which will involve the construction of workforce housing in an extremely blighted area as authorized under subdivision (28)(g) of section 18-2103, (b) intends to declare an area as an extremely blighted area for purposes of funding decisions under subdivision (1)(b) of section 58-708, or (c) intends to declare an area as an extremely blighted area in order for individuals purchasing residences in such area to qualify for the income tax credit authorized in subsection (7) of section 77-2715.07, the governing body of such city shall first declare, by resolution adopted after the public hearings required under this section, such area to be an extremely blighted area.

(2) Prior to making such declaration, the governing body of the city shall conduct or cause to be conducted a study or an analysis on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. The planning commission or board shall hold a public hearing on the question after giving notice of the hearing as provided in section 18-2115.01. The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

(3) Upon receipt of the recommendations of the planning commission or board, or if no recommendations are received within thirty days after the public hearing required under subsection (2) of this section, the governing body shall hold a public hearing on the question of whether the area is extremely blighted after giving notice of the hearing as provided in section 18-2115.01. At the public hearing, all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration. After such hearing, the governing body of the city may make its declaration.

Similarly, for a “substandard and blighted” declaration, Neb. Rev. Stat. § 18-2109 (Cum. Supp. 2020) states the following, as is relevant:

(1) A redevelopment plan for a redevelopment project area shall not be prepared and the governing body of the city in which such area is located shall not approve a redevelopment plan unless the governing body has, by resolution adopted after the public hearings required under this section, declared such area to be a substandard and blighted area in need of redevelopment.

(2) Prior to making such declaration, the governing body of the city shall conduct or cause to be conducted a study or an analysis on whether the area is substandard and blighted and shall submit the question of whether such area is substandard and blighted to the planning commission or board of the city for its review and recommendation. The planning commission or board shall hold a public hearing on the question after giving notice of the hearing as provided in section 18-2115.01. The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

(3) Upon receipt of the recommendations of the planning commission or board, or if no recommendations are received within thirty days after the public hearing required under subsection (2) of this section, the governing body shall hold a public hearing on the question of whether the area is substandard and blighted after giving notice of the hearing as provided in section 18-2115.01. At the public hearing, all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration. After such hearing, the governing body of the city may make its declaration.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Continued)

Having received none of the meeting minutes requested for any of the City’s three TIF projects, the APA has been unable to determine either the specific nature of those projects or the whether there was compliance with any of public hearing requirements found in either § 18-2101.02 or § 18-2109.

The failure to make such meeting minutes available is particularly disconcerting in light of the provisions of the Open Meetings Act (Act), which is set out at Neb. Rev. Stat. § 84-1407 (Reissue 2014) et seq. In particular, Neb. Rev. Stat. § 84-1413 (Cum. Supp. 2020) of the Act provides, in relevant part, the following:

(1) Each public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.

(2) Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting

* * * *

(4) The minutes of all meetings and evidence and documentation received or disclosed in open session shall be public records and open to public inspection during normal business hours.

(5) Minutes shall be written . . . and available for inspection within ten working days or prior to the next convened meeting, whichever occurs earlier, except that cities of the second class and villages may have an additional ten working days if the employee responsible for writing the minutes is absent due to a serious illness or emergency.

Thus, the inability to produce the requested meeting minutes indicates apparent noncompliance with either the public hearing requirements under § 18-2101.02 or § 18-2109 or the Act’s provisions for documenting the actions of public bodies.

d) ***Bidding Procedures***

For any redevelopment contract proposal pertaining to land owned by the CRA, private developers or other interested parties must be invited, through public notice, to bid on the needed work. Likewise, “reasonable competitive bidding procedures” must be followed when selling land in a redevelopment project area.

Neb. Rev. Stat. § 18-2119(1) (Cum. Supp. 2020) says the following:

An authority shall, by public notice by publication once each week for two consecutive weeks in a legal newspaper having a general circulation in the city, prior to the consideration of any redevelopment contract proposal relating to real estate owned or to be owned by the authority, invite proposals from, and make available all pertinent information to, private developers or any persons interested in undertaking the redevelopment of an area, or any part thereof, which the governing body has declared to be in need of redevelopment. Such notice shall identify the area, and shall state that such further information as is available may be obtained at the office of the authority. The authority shall consider all redevelopment proposals and the financial and legal ability of the prospective developers to carry out their proposals and may negotiate with any developers for proposals for the purchase or lease of any real property in the redevelopment project area. The authority may accept such redevelopment contract proposal as it deems to be in the public interest and in furtherance of the purposes of the Community Development Law if the authority has, not less than thirty days prior thereto, notified the governing body in writing of its intention to

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Continued)

accept such redevelopment contract proposal. Thereafter, the authority may execute such redevelopment contract in accordance with the provisions of section 18-2118 and deliver deeds, leases, and other instruments and take all steps necessary to effectuate such redevelopment contract. In its discretion, the authority may, without regard to the foregoing provisions of this section, dispose of real property in a redevelopment project area to private redevelopers for redevelopment under such reasonable competitive bidding procedures as it shall prescribe, subject to the provisions of section 18-2118.

To verify compliance with the above statutory bidding requirements, the APA requested the following documentation for both the 906 Chief Street Project and the Collinsville One Project: 1) proof of publication for the public notices to bid on the proposed redevelopment work; 2) the bidding procedures implemented by the CRA to sell land to the redevelopers for either project; and 3) copies of any proposals received from redevelopers for the purchase of land for either project.

Despite those requests, none of the bidding documentation sought by the APA was provided.

e) **List of Expenditures**

The APA requested a list of expenditures for each TIF project. The purposes of doing so was to test selected expenses for allowability under the Community Development Law. In particular, Neb. Rev. Stat. § 18-2103(28) (Cum Supp. 2020) specifies the types of redevelopment work authorized, as follows:

Redevelopment project means any work or undertaking in one or more community redevelopment areas: (a) To acquire substandard and blighted areas or portions thereof, including lands, structures, or improvements the acquisition of which is necessary or incidental to the proper clearance, development, or redevelopment of such substandard and blighted areas; (b) to clear any such areas by demolition or removal of existing buildings, structures, streets, utilities, or other improvements thereon and to install, construct, or reconstruct streets, utilities, parks, playgrounds, public spaces, public parking facilities, sidewalks or moving sidewalks, convention and civic centers, bus stop shelters, lighting, benches or other similar furniture, trash receptacles, shelters, skywalks and pedestrian and vehicular overpasses and underpasses, enhancements to structures in the redevelopment plan area which exceed minimum building and design standards in the community and prevent the recurrence of substandard and blighted conditions, and any other necessary public improvements essential to the preparation of sites for uses in accordance with a redevelopment plan; (c) to sell, lease, or otherwise make available land in such areas for residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally related or subordinate to such uses, or for public use or to retain such land for public use, in accordance with a redevelopment plan; and may also include the preparation of the redevelopment plan, the planning, survey, and other work incident to a redevelopment project and the preparation of all plans and arrangements for carrying out a redevelopment project; (d) to dispose of all real and personal property or any interest in such property, or assets, cash, or other funds held or used in connection with residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally related or subordinate to such uses, or any public use specified in a redevelopment plan or project, except that such disposition shall be at its fair value for uses in accordance with the redevelopment plan; (e) to acquire real property in a community redevelopment area which, under the redevelopment plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitate the structures, and resell the property; (f) to carry out plans for a program of voluntary or compulsory repair, rehabilitation, or demolition of buildings in accordance with the redevelopment plan; and (g) in a rural community or in an extremely blighted area within a municipality that is not a rural community, to carry out construction of workforce housing;

As with much of the other documentation that the APA had requested, no list of expenditures was received for any of the projects. Consequently, the APA has been unable to perform testing to determine if TIF revenues were used solely for payment of the redevelopment costs, as required by Neb. Rev. Stat. § 18-2147(1)(b) (Cum. Supp. 2020). That subsection of statute states the following:

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Continued)

That portion of the ad valorem tax on real property, as provided in the redevelopment contract, bond resolution, or redevelopment plan, as applicable, in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies. An authority may use a single fund for purposes of this subdivision for all redevelopment projects or may use a separate fund for each redevelopment project

(Emphasis added.)

f) **Blight Study**

As noted in the above discussion of missing Board minutes, there are various prerequisites to declaring a prospective redevelopment area “extremely blighted” or “substandard and blighted.” In either instance, a study of the issue and a subsequent written recommendation is mandated.

For an “extremely blighted” area, Neb. Rev. Stat. § 18-2101.02(2) (Cum. Supp. 2020) says the following:

Prior to making such declaration, the governing body of the city shall conduct or cause to be conducted a study or an analysis on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. The planning commission or board shall hold a public hearing on the question after giving notice of the hearing as provided in section 18-2115.01. The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

(Emphasis added.) Neb. Rev. Stat. § 18-2109(2) (Cum. Supp. 2020) provides identical requirements for a “substandard and blighted” area.

One would expect a study produced under either § 18-2101.02(2) or § 18-2109(2) to be easily accessible. When the APA requested copies of those studies for all three of the TIF projects, however, nothing was provided.

Instead, Resolution No. 12-15-14 #1, which was drafted to declare a certain area of the City blighted and substandard, was presented twice to the APA’s office. In addition to being irrelevant to the request for the studies, the resolution it was for Lot 4, Block 47, Second Addition to Benkelman, Dundy County, Nebraska. That parcel of land is unassociated with any of the three TIF projects at issue.

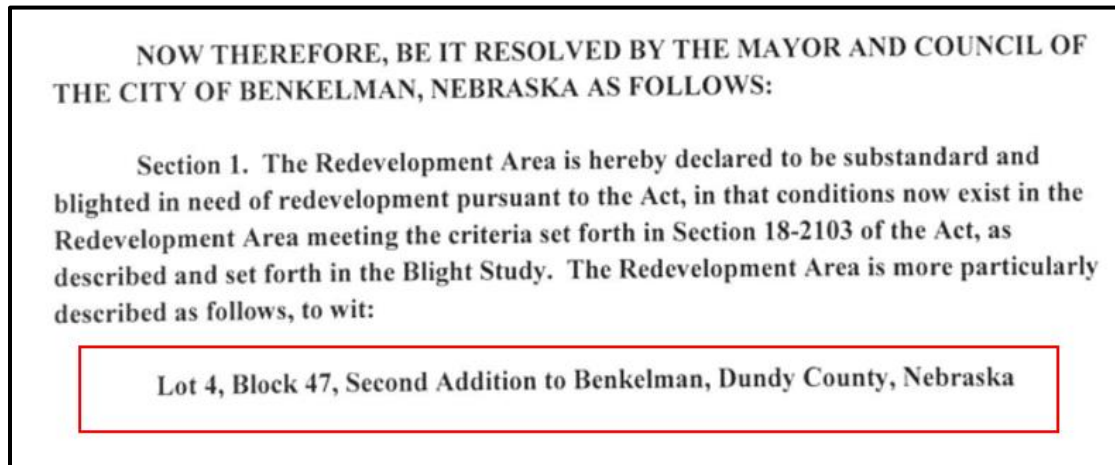
CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Lack of Documentation Supporting TIF Projects** (Concluded)

A screenshot from Resolution No. 12-15-14 #1 is copied below:



It is imperative that the CRA maintain documentation supporting each TIF project to ensure compliance with the many requirements of the Community Development Law. In addition to the numerous statutory concerns addressed already in this comment, Neb. Rev. Stat. § 18-2117.04(2) (Cum. Supp. 2020) provides, in relevant part, the following:

The city shall retain the redevelopment plans and supporting documents described in subsection (1) of this section for the period of time required under any applicable records retention schedule adopted under the Records Management Act or for three years following the end of the last fiscal year in which ad valorem taxes are divided, whichever period is longer.

Moreover, good internal controls require procedures to ensure that proper documentation is retained, as required by State law, for redevelopment projects subject to specific statutory requirements and responsible for the expenditure of public funds in the form of excess ad valorem taxes. This is necessary to support both compliance with the various provisions of the Community Development Law and the proper management of TIF funding.

Without such procedures, there is an increased risk for not only noncompliance with State statute but also the loss or misuse of TIF monies.

We recommend the CRA implement procedures to ensure documentation is retained, as required by State law, for various aspects of redevelopment projects. Such documentation should prove sufficient to support both compliance with the provisions of the Community Development Law and the proper management of TIF funds.

We are referring the information herein to both the Nebraska Attorney General and the Dundy County Attorney for further review.

4. **Incorrect Ad Valorem Taxes Received by CRA**

The APA determined that the CRA did not receive the correct amount of excess ad valorem taxes from Dundy County (County) for calendar year 2020.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

4. Incorrect Ad Valorem Taxes Received by CRA (Concluded)

Based upon the APA’s calculations, the CRA was overpaid by a total of \$2,148 – \$2,121 from the Gavilon Project and \$27 from the 906 Chief Street Project. These overpayments resulted from the failure of the County Treasurer to withhold the 1% fee specified under Neb. Rev. Stat. § 33-114 (Reissue 2016), as follows:

Each county treasurer shall receive for and on behalf of the county for services rendered to other governmental subdivisions and agencies, when fees for services rendered by him or her are not otherwise specifically provided, the following fees:

* * * *

(4) for the collection of all sums of money for municipal taxes, general or special, including money for bond sinking fund or bond interest fund and school money, one percent of the sums so collected[.]

The following tables detail the overpayments received:

Gavilon Grain Project		906 Chief Street Project	
Distribution Date	Amount	Distribution Date	Amount
3/11/2020	\$7,719.01	3/11/2020	\$99.03
4/10/2020	\$106,029.25	4/10/2020	\$99.03
8/10/2020	\$98,310.24	5/11/2020	\$1,261.16
Total	\$212,058.50	10/6/2020	\$1,261.16
		Total	\$2,720.38
Commission		Commission	
Distribution Total	\$212,058.50	Distribution Total	2,720.38
County 1% Share	(\$2,120.59)	County 1% Share	(\$27.20)
Total	\$209,937.91	Total	\$2,693.18
Overpayment	\$2,120.59	Overpayment	\$27.20

Good internal controls require procedures to ensure that both the CRA and the City of Benkelman (City) receive the proper amount of excess ad valorem taxes.

Without such procedures, there is an increased risk for the loss or misuse of CRA funds.

We recommend the CRA and the City implement procedures to ensure accurate amounts of the excess ad valorem taxes are received from the County. The CRA should reimburse the County for the 906 Chief Street Project overpayment; however, the Gavilon Project overpayment would likely be included in the funds recommended to be returned under Comment and Recommendation Number 1 (“Excessive Ad Valorem Taxes Received by CRA – Gavilon TIF Project”) herein.

5. Failure to Respond Timely to APA Records Request

The CRA did not provide the documentation requested by the APA within three weeks after the initial request, as required by Neb. Rev. Stat. § 84-305 (Cum. Supp. 2020). On January 7, 2021, the APA asked for documentation to support the three TIF projects within the City of Benkelman. The CRA Coordinator responded on January 11, 2021, that she would be gathering the documents requested that week.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

5. **Failure to Respond Timely to APA Records Request** (Continued)

After another request by the APA, the CRA Coordinator provided a few unsigned agreements on January 14, 2021. Nothing else was received and, after numerous requests for updates on our initial request, the APA emailed the CRA Coordinator on January 29, 2021, explaining that the CRA had until Friday, February 5, 2021, to provide the missing items. Otherwise, we would assume that those records did not exist.

In response, the CRA Coordinator provided some additional documents on January 29, 2021, while noting that she had others to collect. Everything would be provided by February 5, 2021, she assured. On that date, the APA received the following email from her:

I just wanted to let you know I haven't forgotten about the items you requested. I don't have any further documents.

Our lawyer is reviewing my written responses. I have been in contact with him today. He is working on it. He did ask me to gather some documents for him.

I believe it is in the best interest of the CRA to cooperate and get this finished, I am not trying stall this process in any way.

As of February 23, 2021, the APA had not received any further correspondence from the CRA Coordinator.

Section 84-305(1) (Cum. Supp. 2020) states the following:

The Auditor of Public Accounts shall have access to any and all information and records, confidential or otherwise, of any public entity, in whatever form or mode the records may be, unless the auditor is denied such access by federal law or explicitly named and denied such access by state law. If such a law exists, the public entity shall provide the auditor with a written explanation of its inability to produce such information and records and, after reasonable accommodations are made, shall grant the auditor access to all information and records or portions thereof that can legally be reviewed.

Subsection (2) of that same statute adds, as is relevant, the following:

Upon receipt of a written request by the Auditor of Public Accounts for access to any information or records, the public entity shall provide to the auditor as soon as is practicable and without delay, but not more than three business days after actual receipt of the request, either (a) the requested materials or (b)(i) if there is a legal basis for refusal to comply with the request, a written denial of the request together with the information specified in subsection (1) of this section or (ii) if the entire request cannot with reasonable good faith efforts be fulfilled within three business days after actual receipt of the request due to the significant difficulty or the extensiveness of the request, a written explanation, including the earliest practicable date for fulfilling the request, and an opportunity for the auditor to modify or prioritize the items within the request. No delay due to the significant difficulty or the extensiveness of any request for access to information or records shall exceed three calendar weeks after actual receipt of such request by any public entity.

Finally, Neb. Rev. Stat. § 84-305.01 (Cum. Supp. 2020) reads as follows:

Any person who willfully fails to comply with the provisions of section 84-305 or who otherwise willfully obstructs or hinders the conduct of an audit, examination, or related activity by the Auditor of Public Accounts or who willfully misleads or attempts to mislead any person charged with the duty of conducting such audit, examination, or related activity shall be guilty of a Class II misdemeanor.

Good internal controls requires procedures to ensure complete and timely responses to APA records requests made during the course of an audit.

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

5. **Failure to Respond Timely to APA Records Request** (Concluded)

Without such procedures, there is an increased risk of violating State law requiring such compliance.

We recommend the CRA implement procedures to ensure compliance with § 84-305.

We are referring the information herein to both the Nebraska Attorney General and the Dundy County Attorney for further review.

CRA Overall Response: Please consider this the CRA's official response.

List of Items I sent the auditor.

Sent via email on 1/14

1. *Signed Blighted and Substandard Resolution*
2. *Public Notice of public hearing for blighted and substandard determination.*
3. *Notice of public hearing for the Redevelopment Plan*
4. *Development Revenue Bond (Gavilon Project) Series 2011*

List of Items sent through drop link 1/22

1. *521 Chief Street Purchase Agreement*
2. *Furman Purchase Agreement (1010-1016 Chief Street)*
3. *906 Chief Street Purchase Agreement*
4. *906 Chief Street Redevelopment Agreement*
5. *Collinsville One Redevelopment Agreement*
6. *Collinsville One Cost/Benefit Analysis*
7. *Purchase Agreement of 1302 Cheyenne Street (Collinsville One)*
8. *Profit and Loss through 12/2020*
9. *Signed Blighted and Substandard Resolution*
10. *Land Use Map*
11. *Resolution Recommending Approval of Redevelopment Plan.*
12. *Signed Redevelopment Plan.*
13. *Signed Affidavit - proof of public notice for blighted and substandard determination.*

Sent to auditor via email 3/5

14. *906 Documents for WCNDD: Form 521, Warranty Deed, Assessment Record*
15. *906 Chief St. Purchase Agreement with WCNDD*
16. *906 Chief Purchase Contract*
17. *Collinsville/1219 A Street: Original Purchase Agreement for the property and acreage*
18. *Collinsville/1219 A Street Settlement Statement, Warranty Deed, and Title Insurance.*
19. *Collinsville Engineering Expenses*
20. *CRA Project Expense Sheets: Gavilon, Fitness Center (Dundy Beach), Rainbow Roller Rink, 906 Chief Street.*
21. *Transactions through December of 2020.*
22. *CRA Meeting Minutes- certified and notarized: January 2011: Approval of Redevelopment Plan (Gavilon), Approval of Resolution recommending approval of the Redevelopment Plan for the City of Benkelman, and approval of the Cost Benefit Analysis and related activities. Minutes from March and April of 2011 were also included for further information on the Gavilon project.*

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Continued)

CRA Overall Response (Concluded):

23. *Meeting Minutes for March and April of 2017(certified and notarized). March: Proposal of the 906 Chief Street project and related information. April: Approval of the 906 Chief Street project.*
24. *Meeting minutes from May of 2020 (certified and notarized): Approval of Collinsville One Redevelopment Project and Cost Benefit Analysis.*
25. *Dilapidated Property Acquisition Documents: 903 Arapahoe: Gift letter, Special Warranty Deed, receipt and transaction details, Asbestos report, asbestos abatement invoice, tax information, and certificate of insurance.*
26. *Whittington Property: Closing statement, real estate transfer statement, special warranty deed, legal advice waiver, addendum, copy of check.*
27. *Blighted and Substandard Description*
28. *Blighted and Substandard Analysis*
29. *Blighted and Substandard Declaration proof of Public Notice*
30. *Redevelopment Plan and Blighted and Substandard proof of Public Notice.*
31. *Signed Ordinance adopting the 2010 Benkelman Comprehensive Plan.*
32. *Signed Gavilon Redevelopment Agreement*
33. *Everything I could find on the Dundy Beach project in 2015.*
34. *Grace Market Agreement and financial records*
35. *Signed Agreement with The Western Keg*
36. *Signed Agreement with the Weight Buffett*
37. *Documents from Leisa Gonzales: Leisa’s Kiddie Komer state licensed daycare: Promissory Note, Deed of Trust, Request to the CRA, Financial Plan, Substitution of Trustee, Deed of Reconveyance, Amortization Schedule and a Settlement Statement.*

APA Response: The APA provided a copy of the draft report to the CRA on February 24, 2021. The CRA Coordinator responded to the APA on March 5, 2021, explaining the following:

I understand that I did not do a thorough [sic] of sending you documents. I hope the next few emails can provide you with some of the things that I have previously missed.

The information provided by the CRA Coordinator – as noted in the CRA response section “Sent to auditor via email 3/5” – included several documents that merely reinforce the APA’s finding that the CRA has been improperly using excess ad valorem taxes from the Gavilon Project to pay for expenses incurred for other, unrelated projects. Among those documents were the following: 1) CRA project expense sheets for the Fitness Center (Dundy Beach) and the Rainbow Roller Rink; 2) the 903 Arapahoe and the Whittington property acquisition documents; 3) agreements with Grace Market, Western Keg, and Weight Buffet; and 4) documents for Kiddie Korner daycare. None of those documents, as well as others provided, have anything to do with either the Gavilon Project or the two other TIF projects tested. Consequently, they serve as additional evidence – as if any were needed – of the wrongful use of TIF funds.

In addition, among the CRA project expense sheets provided, one for the Gavilon Project contains a listing of expenses totaling \$576,086.25. However, the CRA had issued bonds totaling \$700,000, which is well over the total costs listed. As noted in Comment and Recommendation # 3 (“Lack of Documentation Supporting TIF Projects”) of the Attestation Report, Neb. Rev. Stat. § 18-2147(1)(b) (Cum. Supp. 2020), requires TIF revenues to be used solely for payment of the redevelopment costs.

Copied below is the Gavilon Project expense sheet that the CRA Coordinator provided to the APA after receiving the draft Attestation Report:

CITY OF BENKELMAN TIF PROJECTS

COMMENTS AND RECOMMENDATIONS

(Concluded)

APA Response (Concluded):

City of Benkelman Community Redevelopment Authority						
Account QuickReport						
July 11 through August 30, 2011						
Type	Date	Num	Name	Memo	Split	Amount
Electrical						
Check	07/11/2011	101	IES Commercial Inc	integrated ele...	CRA	322,647.60
Check	07/11/2011	102	Kriz-Davis		CRA	1,613.61
Check	07/11/2011	103	Matt Parrot & Sons ...		CRA	168.00
Check	07/11/2011	104	RWS Engineering C...		CRA	8,596.30
Check	07/11/2011	105	City of Benkelman Li...		CRA	240,105.49
Check	07/14/2011	106	RWS Engineering C...		CRA	1,409.00
Check	08/09/2011	108	Baseline Engineerin...		CRA	1,546.25
Total Electrical						576,086.25
TOTAL						576,086.25

Garrison

On January 7, 2021, as explained already, the APA emailed a detailed records request to the CRA, asking for access to specific documentation pertaining to the three TIF projects being tested. Neb. Rev. Stat. § 84-305 (Cum. Supp. 2020) requires, under penalty of law, a specific response to any such request to be made “not more than three business days after actual receipt” thereof. That same statute adds, “No delay . . . shall exceed three calendar weeks after actual receipt of such request by any public entity.” Regardless, the CRA Coordinator failed to provide not only the initial response required but also all of the requested records within the statutory three-week timeframe. Instead, she waited for almost two months – until after receiving the draft Attestation Report – to provide the APA with only some of the requested documents. Even after such an extraordinary delay, she failed to make available all of the needed records. Due to what appears to be a glaring lack of compliance with § 84-305, the APA will turn this matter over to the Nebraska Attorney General and the Dundy County Attorney for further review.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

CITY OF BENKELMAN TIF PROJECTS INDEPENDENT ACCOUNTANT'S REPORT

City of Benkelman TIF Projects
Lincoln, Nebraska

We have examined the accompanying Schedule of TIF Ad Valorem Taxes of the City of Benkelman TIF Projects for projects approved through December 31, 2020. The Community Redevelopment Authority's management is responsible for the Schedule of TIF Ad Valorem Taxes based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of TIF Ad Valorem Taxes based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of TIF Ad Valorem Taxes is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of TIF Ad Valorem Taxes. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of TIF Ad Valorem Taxes, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of TIF Ad Valorem Taxes for projects approved through December 31, 2020, is based on the accounting system and procedures prescribed by the Community Redevelopment Authority, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Schedule of TIF Ad Valorem Taxes; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Schedule of TIF Ad Valorem Taxes is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of TIF Ad Valorem Taxes or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards*, and the finding, along with the views of management, is described in the Comments Section of the report.

The purpose of this report is to express an opinion on the Schedule of TIF Ad Valorem Taxes, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "C. J. Janssen", with a long horizontal flourish extending to the right.

March 9, 2021

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

CITY OF BENKELMAN TIF PROJECTS
SCHEDULE OF TIF AD VALOREM TAXES
For TIF Projects Approved through December 31, 2020

TIF Project Name	Parcel ID	Tax Year	Excess Property Value	TIF Excess Tax	1% County Share	Net Tax Distributed By Dundy County
Gavilon Grain	290017009	2011	\$ 807,505	\$ 15,498.38	\$ 154.98	\$ 15,343.40
Gavilon Grain	290017009	2012	\$ 4,282,430	\$ 77,935.38	\$ 779.35	\$ 77,156.03
Gavilon Grain	290017009	2013	\$ 9,747,547	\$ 160,600.10	\$ 1,606.00	\$ 158,994.10
Gavilon Grain	290017009	2014	\$ 10,954,338	\$ 158,821.58	\$ 1,588.22	\$ 157,233.36
Gavilon Grain	290017009	2015	\$ 10,954,338	\$ 151,888.80	\$ 1,518.89	\$ 150,369.91
Gavilon Grain	290017009	2016	\$ 10,954,338	\$ 153,769.76	\$ 1,537.70	\$ 152,232.06
Gavilon Grain	290017009	2017	\$ 10,954,338	\$ 153,244.62	\$ 1,532.45	\$ 151,712.17
Gavilon Grain	290017009	2018	\$ 12,114,753	\$ 168,299.24	\$ 1,682.99	\$ 166,616.25
Gavilon Grain	290017009	2019	\$ 14,972,588	\$ 212,058.50	\$ 2,120.59	\$ 212,058.50
Gavilon Grain	290017009	2020	\$ 14,972,588	\$ 219,121.14	\$ -	\$ -
Subtotal				\$ 1,471,237.50	\$ 12,521.16	\$ 1,241,715.78
906 Chief Street	290006767	2018	\$ 174,584	\$ 2,425.34	\$ 24.24	\$ 2,401.10
906 Chief Street	290006767	2019	\$ 192,075	\$ 2,720.38	\$ 27.20	\$ 2,720.38
906 Chief Street	290006767	2020	\$ 173,781	\$ 2,543.26	\$ -	\$ -
Subtotal				\$ 7,688.98	\$ 51.45	\$ 5,121.48
Collinsville One	290016232	2020	\$ 325,800	\$ 4,768.02	\$ -	\$ -
Totals				\$ 1,483,694.50	\$ 12,572.61	\$ 1,246,837.26

The accompanying notes are an integral part of this schedule.

CITY OF BENKELMAN TIF PROJECTS

NOTES TO THE SCHEDULE

For TIF Projects Approved through December 31, 2020

1. Criteria

The accounting records for the Tax Increment Financing (TIF) Projects are maintained, and the Schedule of TIF Ad Valorem Taxes have been prepared, based on the accounting system and procedures prescribed by the Community Redevelopment Authority (CRA).

2. Reporting Entity

The CRA was established by the City of Benkelman (City) on January 17, 2011, for purposes of conservation and rehabilitation of substandard or blighted areas within the City. The CRA is governed by five members of the Board to exercise power and authority as granted by State statute. The CRA oversees the TIF projects within the City, including depositing the Ad Valorem Taxes distributed from Dundy County. The CRA is presented as a discretely presented component unit within the City's annual audit conducted by AMGL, P.C. The City maintains a bank account for CRA fund activity.

3. TIF Ad Valorem Tax

The TIF ad valorem tax "excess" is distributed on the subsequent increase in property value resulting from the redevelopment work of which is paid into a separate fund for the sole purpose of relieving the debt incurred by the redevelopment project after the County withholds a one percent fee authorized by State law. The "Tax Year" and "Excess Property Value" are set in the year prior to when the actual ad valorem tax is paid and distributed. For Tax Year 2020, taxes will not be collected and distributed by Dundy County until 2021. For "Tax Year" 2019, Dundy County did not withhold the one percent fee for TIF project funds distributed in 2020 (see the Comments and Recommendations section for additional information). In addition, there was a minor differences between the ad valorem taxes received and distributed for the TIF projects in 2020 as compared to the amounts included in the annual TIF report.

CITY OF BENKELMAN TIF PROJECTS

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the Schedule of TIF Ad Valorem Taxes. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the Schedule of TIF Ad Valorem Taxes, and, accordingly, we express no opinion on it.

CITY OF BENKELMAN TIF PROJECTS
GAVILON PROJECT AD VALOREM TAXES RECEIVED AND DISBURSED

EXHIBIT A

As of December 31, 2020

Date Per CRA	Gavilon Ad Valorem Taxes Received by CRA	Gavilon Shortfall Payments to CRA	CRA Bond Payments to Gavilon	Balance of Excess Ad Valorem Taxes Held by CRA
4/30/2012	\$ 15,343.38			\$ 15,343.38
10/17/2012			\$ 48,133.33	\$ (32,789.95)
10/17/2012		\$ 44,646.62		\$ 11,856.67
11/15/2012			\$ 1,088.92	\$ 10,767.75
5/16/2013	\$ 40,093.67			\$ 50,861.42
5/31/2013			\$ 46,000.00	\$ 4,861.42
8/26/2013			\$ 46,000.00	\$ (41,138.58)
8/30/2013		\$ 102,843.98		\$ 61,705.40
9/11/2013	\$ 37,062.35			\$ 98,767.75
4/15/2014	\$ 79,497.05			\$ 178,264.80
5/15/2014	\$ 3,183.08			\$ 181,447.88
6/4/2014			\$ 46,000.00	\$ 135,447.88
8/13/2014	\$ 76,313.97			\$ 211,761.85
10/23/2014			\$ 47,316.09	\$ 164,445.76
12/10/2014		\$ 21,005.90		\$ 185,451.66
2/19/2015	\$ 3,879.17			\$ 189,330.83
4/14/2015	\$ 74,737.51			\$ 264,068.34
5/13/2015	\$ 3,879.17			\$ 267,947.51
6/3/2015			\$ 46,000.00	\$ 221,947.51
9/14/2015	\$ 74,737.51			\$ 296,685.02
9/30/2015			\$ 46,000.00	\$ 250,685.02
2/11/2016	\$ 5,101.94			\$ 255,786.96
5/13/2016	\$ 75,184.97			\$ 330,971.93
5/27/2016			\$ 46,000.00	\$ 284,971.93
8/15/2016	\$ 70,083.02			\$ 355,054.95
9/26/2016			\$ 46,000.00	\$ 309,054.95
2/21/2017	\$ 4,856.84			\$ 313,911.79
4/28/2017	\$ 4,856.84			\$ 318,768.63
5/10/2017	\$ 71,259.19			\$ 390,027.82
7/26/2017			\$ 46,000.00	\$ 344,027.82
8/15/2017	\$ 71,259.19			\$ 415,287.01
11/21/2017			\$ 46,000.00	\$ 369,287.01
3/13/2018	\$ 4,769.00			\$ 374,056.01
5/14/2018	\$ 75,856.09			\$ 449,912.10
8/8/2018			\$ 46,000.00	\$ 403,912.10
9/13/2018	\$ 71,087.09			\$ 474,999.19
11/30/2018			\$ 46,000.00	\$ 428,999.19
3/19/2019	\$ 5,187.24			\$ 434,186.43
4/15/2019	\$ 78,120.89			\$ 512,307.32
5/21/2019	\$ 5,187.24			\$ 517,494.56
6/10/2019			\$ 46,000.00	\$ 471,494.56
8/9/2019	\$ 78,120.89			\$ 549,615.45
11/20/2019			\$ 46,000.00	\$ 503,615.45
3/16/2020	\$ 7,719.01			\$ 511,334.46
4/14/2020	\$ 106,029.25			\$ 617,363.71
7/24/2020			\$ 46,000.00	\$ 571,363.71
8/17/2020	\$ 98,310.24			\$ 669,673.95
9/17/2020			\$ 46,000.00	\$ 623,673.95
Totals	\$ 1,241,715.79	\$ 168,496.50	\$ 786,538.34	