

audit report

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to be more

Who helped who? | by Chip Cooke

In November of 2017, I took my first mission trip to the Ahuachapan region of El Salvador in Central America. My church through Habitat for Humanity, Charlotte had in place a partnership with Habitat Para La Huminidad, El Salvador that dated back to 2010. Our mission was to assist one family in need with housing – we had only one week to make a difference. At the end of the week in 2017 and again in 2018, I was faced with the question of who helped who.

El Salvador is the most densely populated nation in Central America and one of the poorest in the entire world. Marred by a devastating civil war from 1980 until 1992, El Salvador now considers 30% of its population to be in extreme poverty. In the tiny enclave of Getsemani, Ahuachapan in northwest El Salvador live some of the most disenfranchised families on the planet. Houses are often made of corrugated tin and every meal is crafted from whatever is available at the moment. Dogs and chickens wander freely through the streets and

basic sanitation is a luxury. Under all of this is the salt of the earth, some of the kindest individuals you would ever hope to meet. Families of hope and faith are sprinkled with never-ending belief in something bigger.

Before my inaugural trip to El Salvador, I had never heard of Oscar Arnulfo Romero y Galdamez. You may have. He was canonized in October of last year and now exists through history as Saint Romero, former archbishop of the Catholic Church in San Salvador, the capital of the country. In the late 1970s, El Salvador was embroiled in a contest between the elite and the poor of the nation. Death squads and assassinations were common and blood flowed in the streets between government forces and those who opposed it. Oscar Romero stood in between, trying to teach peace in a place that had no time for it. On March 24, 1980 Oscar Romero was assassinated during mass in the country's capital. After his death the nation fell into a civil war that lasted over a

decade. Over 75,000 lost their lives – an estimated 300,000 were displaced due to the violence.

As part of my departure package last year, our outreach team put together a document that was part journal, part historical information, and part faith instrument. On the cover is printed a quote from Oscar Romero, “Aspire not to have more, but to be more.” Nothing could be more appropriate as you head to one on the world's poorest locations to do what little you can, given the time and situation. Mission trips are as much about your own spiritual growth as about the good you hope to accomplish.

Romero's “A Step Along the Way” highlights this in miraculous fashion:

“It helps, now and then, to step back and take a long view. The kingdom is not only beyond our efforts, it is even beyond our vision. We accomplish in our lifetime only a tiny fraction of the magnificent enterprise that is God's work. Nothing



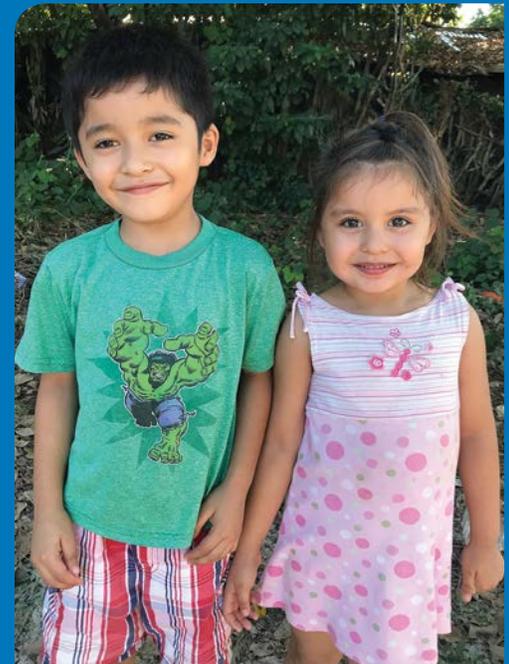
we do is complete, which is a way of saying that the kingdom always lies beyond us. No statement says all that could be said. No prayer fully expresses our faith. No confession brings perfection. No pastoral visit brings wholeness. No program accomplishes the church's mission. No set of goals and objectives includes everything. This is what we are about. We plant the seeds that one day will grow. We water seeds already planted, knowing that they hold future promise. We lay foundations that will need further development. We provide yeast that produces far beyond our capabilities. We cannot do everything, and there is a sense of liberation in realizing that. This enables us to do something, and to do it very well. It may be incomplete, but it is a beginning, a step along the way, an opportunity for the Lord's grace to enter and do the rest. We may never see the end results, but that is the difference between the master builder and the worker. We are the workers, not master builders; ministers, not messiahs. We are prophets of a future not our own."

As our team dug foundations, bent rebar, and mixed concrete, we each took in everything around us. Small children darted in and out of the construction zone while attentive adults assisted in making meals from wood fires that never really seemed to stop smoldering. Patients for the Casa de Salud (House of Health) waited for our medical team in quiet lines, oftentimes as many as thirty deep at the doorway. Sweat poured and muscles cramped as middle-aged Americans tried to keep up with the nimble masons who bested us in every possible area of labor. At the end of the week what started as a patch of bare earth and dilapidated housing now appeared as the concrete footings of a better life. Saint Romero's quote echoed throughout the neighborhood – "It may be incomplete, but it is a beginning."

I'm not the only one who looks for the Getsemani Community Center on Google Earth throughout the year. Somehow part of you stays there. I have heard from many members of our

mission team that they feel the same way. Prayers are different and more fulfilling, hugs are deeper, and smiles all the more satisfying. At the end of my travel journal is a quote by Brene Brown that seems to sum it all up:

"Love is beautiful when it is promised, but only meaningful when it is practiced."





ask britta

Britta English, National Audit Support Manager, tells all | by Jennifer Dixon

How long have you worked with TMA? *May 15 will be my 14-year anniversary with TMA.*

Tell me about your job. What are the core components? *I manage audit support. It has been an evolving position since I say “yes” to doing just about anything. I’m not sure anyone has ever told me my official job description - I just show up!*

Name some of the turning points in your life. *I’ve had plenty of personal turning points as we all have, but professionally moving to Indianapolis and starting to work for TMA. Nothing that I expected! I have been around for the growth of our Indy office. We started with two support people (a temp and myself) and a handful of auditors. The timing was such that Larry Brandon, our sales person at the time, was writing contract after contract. The Indy office quickly grew. We now have 8 audit support employees and 18 auditors. It ended up being a great opportunity for me.*

What is the best part of working here? *TMA has a family feel. They know life happens and have always allowed for work/life balance.*

What is something that your friends would consider “so you”? *Probably this look that I am giving you right now! They would laugh at me answering these questions – this is so not me!*

What skills are required of you on a day-to-day basis? *Resourcefulness, organization, and efficiency.*

Do you have any personal traits that help you at your job the most? *People skills, problem-solving skills, and the ability to see the big picture.*

When people come to you for help, what do they want help with? *Problem-solving for taxpayers and jurisdictions or how to handle a problem file.*

What aspects of your job do you find most challenging? *Trying to be consistently proactive and five steps ahead is a challenge. Five steps ahead is where I like to be.*

Most enjoyable parts of managing audit support? *My employees, working with the jurisdictions, and having that presence with our clients.*

What is fun when you are not working? *I love to be active. My social circles all include biking, running, and swimming. I love to read and spend any time I can get with my kiddos. I have two boys, but they’re not really kids anymore!*

What is a small thing that makes your day better? *When my 17-year old actually responds to a text.*

How do you start your day? *A cup of coffee and “The Daily” podcast.*

Best way to end the day? *Martini.*

Are you currently working through anything challenging? *The fact that my oldest graduates from college and my youngest graduates high school this year. I’ve been defined as a mom for so long... I’m not sure what to do next... That’s not true... More like I’m not sure what to do first!*

Do you have personal rules that you never break? *I have lots of rules! On a superficial level never go through a drive-thru, never eat at a buffet, and I do my best to avoid self-checkouts.*

If you had five minutes to teach someone something new, what would you teach? *Not a new concept, but I would teach them that eye contact and referring to someone by name goes a long way!*

What is your spirit animal? *If I am an August baby, do I have a spirit animal? I feel like it would be a fox!*

What is your favorite day on the calendar? *Christmas. There is so much tradition and I can count on having both my kids with me on Christmas day. As they get older, that is a big deal!*

Do you work toward anything in your free time? *I listen to a variety of podcasts and love to absorb information on just about any topic. Foods, nutrition, and creating new recipes have been of interest as of late.*

Most exciting adventure? *Any time we go to a new spot to do rock climbing. We were the first descenders in Utah. We were descending 100+ foot rock walls and were anchoring ourselves the whole way. There weren’t any other people around and the only living creature we saw was a fox. We named the area Foxtrot Canyon!*

How did you get into rock climbing? *My sister and I pick a place to hike every year. We went out to Utah for the first time a few years ago and just loved it. It is a great way to immerse yourself in nature and see it from a vantage point that not many get to see.*

If you could slow down time, how would you spend it? *I would spend more time with my family. My initial thought was that I would really like to slow down this aging thing... but that seemed selfish.*

Do you have a secret superpower? *I sleep very little.*

Pancakes or waffles? *Waffles – unless they are blueberry pancakes.*

What craft would you like to master? *Winemaking.*

What is your personal mantra? *Take pause, be humble, be kind. I actually keep a post-it note in my desk with these words. It serves as a reminder every time I open my drawer.*

measuring marijuana

Budding new industry brings challenges to assessment offices | by Ellie Moss

With the growing opioid crisis, legislators and medical practitioners have been evaluating alternative approaches to pain management. Medical marijuana has come to the forefront of those discussions as it has applications for pain management, appetite enhancement, and eye pressure reduction. Emerging new industries bring about many different “growing pains.” In the case of medical marijuana, valuing and assessing the property used in the cultivation and dispensing process is one of them.

The U.S. legal marijuana market size was estimated at 7.06 billion in 2016 and has grown substantially ever since. The medical marijuana market alone is estimated to be valued at 100.03 billion by 2025. Thirty-three states and the District of Columbia have passed laws broadly legalizing marijuana in some form. Several more have proposed legislation going through their House and Senate, with Georgia being the most recent example. Although the medical marijuana bill has been passed through the House, time will tell if the Senate

will also pass the bill making Georgia the 34th state. Arizona legislators were at the forefront of this curve and passed legislation in 2010 allowing for the production and use of medical marijuana. Arizona’s first dispensary opened in 2012.

Maricopa County, Arizona (which encompasses the City of Phoenix) began investigating why their medical marijuana facilities were not reporting their business personal property. This open investigation led to the discovery of a very complex and multifaceted entity and ownership structure that ultimately resulted in the need to audit those companies operating in the industry. After launching a public awareness campaign, the Maricopa County Assessor’s Office engaged TMA to audit the facilities in their jurisdiction.

Originally there was some confusion amongst taxpayers as to whether or not they were required to file returns. Arizona law requires that dispensaries operate as a non-profit. Legally, however,

they are not non-profit. At the state level these companies file non-profit income tax returns, but for federal tax purposes, they typically file an 1120 Corporate Return as they do not qualify for 501(c) status. With no returns rendered, the jurisdiction applied a mass appraisal style assessment using the square footage of the facility to generate an estimated full cash value. As the audit process began, the many layers of the industry started to unfold. The importance of site-specific financial information for the various entities became evermore accentuated.

Part one of the specialized audit process for the medical marijuana industry is establishing the type of facility in operation. As a general rule, there are three levels of trade in the medical marijuana industry: the certification facility, the dispensary, and the cultivation facility.

Prior to purchasing any product, patients must first receive their qualifying patient card from a medical marijuana certification facility. Typically, these



are very small and specialized doctor's offices that may or may not be owned by an entity or individual who also owns a dispensary.

Dispensaries are often only the "retail" portion of the industry. They may have a secondary license to operate a cultivation facility or may purchase the product from a licensed wholesaler. More often than not, the name listed on the sign outside the business was not the name of the entity responsible for the associated tax burden. Most companies created a separate management company, which tossed an additional curveball into the mix. Due to their non-profit operation on the state level, the only way for owners or investors to receive revenue from the dispensary was to create an additional company that owned the equipment and leased it to the dispensary. Once the legally responsible party was identified, the review of the information and visits to the facilities produced even more intriguing questions.

Cultivators, though in the same industry,

were rarely classed the same for their business codes. Some were classed as manufactures, or support activities for crop production, while some were even assigned a business code as a pharmacy or drug store. Given the various different property tax treatments for agricultural properties when compared to manufacturers and pharmaceutical providers, the variations for assessment seem almost endless.

Would a state that exempts agricultural crop inventory still consider exempting the growing crop if the cultivation occurred in a warehouse for an entity designated as a manufacturer? Does a cultivation facility become entitled to exemptions or adjustments granted to a manufacturer? What if the "manufacturer" has an outdoor inground crop? Does soil in a pot or tray get treated as a taxable supply when soil from outdoor operations does not? Should the equipment life assigned relate to the identified industry segment? Or since the medical marijuana industry is so young, should the assessor's office

or department of revenue for a given jurisdiction evaluate the equipment for a separate industry class life identifier? These questions are just a few of the many challenges that plague the assessing industry.

Despite the difficulties, TMA has completed audits of the various marijuana facilities for Maricopa County. Most taxpayers have been pleased to work with us, as we help them better understand BPP and when to file returns.

client testimonial

"Our office conducted audits of all medical marijuana facilities working hand in hand with TMA. Many challenges exist with audits of this business, but TMA was able to work through and delivered our final audit report on time. This project is an example of successful collaboration between companies. Without working with TMA, we would not have been able to complete the audits in the allotted timeframe."

- Paul D. Petersen, Maricopa County Assessor

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