Tax Increment Financing District: Town of Milton

Correct Amount of Tax Increment Retained and Used for Authorized Purposes in North/South District
Mission Statement

The mission of the Auditor's Office is to hold state government accountable.

This means ensuring that taxpayer funds are used effectively and efficiently, and that we foster the prevention of waste, fraud, and abuse.
Dear Colleagues,

A tax increment financing (TIF) district allows a municipality to incur debt to finance infrastructure improvements and earmark a portion of new education and municipal property tax revenues from the district to repay the debt. The Vermont Economic Progress Council (VEPC) approved Milton’s North/South TIF district November 19, 1998. The Town of Milton undertook district infrastructure improvements such as expansion of the wastewater treatment system and upgrade of the stormwater collection system. Milton was authorized to retain tax increment through March 31, 2019 and paid off the TIF district debt in May 2019. The Town expects to distribute approximately $131,000 of cash remaining in the North/South TIF Fund to the Education Fund.

This is the final audit of the Town’s TIF district as required by statute. Our audit objectives reflect the district’s stage of life, and these were, for fiscal years 2018 and 2019 to assess whether the Town of Milton: 1) retained the appropriate amount of education and municipal tax increment in the North/South TIF Fund and paid the balance to the taxing authorities, as required, and 2) utilized tax increment for eligible purposes.

In FY2018 and FY2019, as allowed, Milton retained education tax increment of $455,641 and $586,082 (75 percent), respectively, rather than send these tax revenues to the Education Fund. In these years, the City also retained municipal tax increment of $155,041 and $196,510 (75 percent) as required. The balance of 25 percent of the education tax increment was included in the Town’s payments to the Milton School District, as required, and 25 percent of municipal tax increment was allocated to the General Fund. The City used the tax increment retained for eligible purposes such as making TIF debt payments of $317,911 and $301,458 in FY2018 and FY2019, respectively, and paying off the outstanding TIF district debt of $2,855,297.

I would like to thank the management and staff at the Town of Milton for their cooperation and professionalism throughout the course of this audit. This report is available on our website: [http://auditor.vermont.gov](http://auditor.vermont.gov).

Sincerely,

DOUGLAS R. HOFFER
State Auditor
ADDRESSEES

The Honorable Mitzi Johnson  
Speaker of the House of Representatives

The Honorable Tim Ashe  
President Pro Tempore of the Senate

The Honorable Phil Scott  
Governor

Ms. Susanne Young  
Secretary, Agency of Administration

Mr. Adam Greshin  
Commissioner, Department of Finance and Management

Don Turner  
Town Manager, Town of Milton
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Introduction

Tax increment financing (TIF) is a tool that municipalities use to finance public infrastructure such as, streets, sidewalks and storm water management systems. In Vermont, establishment of a TIF district allows a municipality to designate an area for improvement, incur debt to finance public infrastructure improvements, and retain a portion of growth in property tax revenues, called incremental property tax revenue. Incremental property tax revenues are used to repay the debt, and they include municipal property tax (municipal tax increment) and statewide education property tax (education tax increment). Thus, a portion of education property tax revenue is retained by the municipality for authorized purposes rather than remitted to the Education Fund.\(^1\)

Milton’s Northern TIF district, which houses Husky Injection Moldings, Inc., and the Southern TIF district, which consists of the Catamount Industrial Park, were approved by Milton’s Select Board on March 30, 1998 and by the Vermont Economic Progress Council (VEPC) on November 19, 1998. Act 45 (2011) allowed the two TIF districts to be treated as a single district for purposes of accounting and reporting and hereafter in the report are referred to as the North/South TIF district. Milton was authorized to retain education and municipal tax increment through March 31, 2019 and on May 21, 2019, Milton paid its outstanding TIF district debt in full.

This audit is the second and final audit by the State Auditor’s Office (SAO) of the Milton North/South TIF district, as required by 32 V.S.A. §5404a(l).\(^2\) The objectives for this audit reflect the current phase of the TIF district.

The audit objectives were for fiscal years (FY) 2018 and 2019, to assess whether the Town of Milton:

1. Retained the appropriate amount of education and municipal tax increment in the North/South TIF Fund and paid the balance to the taxing authorities as required, and

2. Utilized tax increment for eligible purposes.\(^3\)

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\(^1\) Education funding is statewide and accounts for all the education taxes collected and spent in communities across the State. Municipalities collect statewide education property taxes on behalf of the State and remit the taxes collected to their local school systems, or to the State directly, depending on the amount collected relative to the amount required to fund the local school system.

\(^2\) The first audit report resulted in SAO Report #12-01, January 19, 2012, “Tax Increment Financing District: Town of Milton Appropriately Established Districts, but the Administration Was Flawed.”


\(^3\) Appendix I details the scope and methodology of the audit. Appendix II contains a list of abbreviations used in this report.
Background

VEPC has authority for approving TIF districts, rulemaking, oversight and enforcement. A municipality designates a geographical area where it wants to encourage private sector development, and where the municipality thinks public infrastructure improvements are needed for that development. The municipality incurs debt to finance the needed public infrastructure improvements in the TIF, which in theory, stimulates private investment that would not otherwise have occurred in the designated TIF area. The combination of both public and private investment is expected to increase property values, generating property tax revenue. The expected growth in property tax revenues (i.e., incremental property tax revenue) in the designated area is used to pay debt incurred to finance the cost of improvements. A portion of the incremental property tax revenue, also known as tax increment, is retained by the municipality, generally up to 20 years. Taxing authorities, like the municipality and the State, continue to receive property tax revenue on the original taxable value (OTV) of the properties during this time. The taxing authorities also receive a portion of the incremental property tax revenue.

Figure 1 shows the basic TIF model, including the anticipated tax increment.

**Figure 1: Basic TIF Model**

![Basic TIF Model](image)

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Milton North/South TIF District

The Northern TIF district was created to encourage the development of a corporate campus at the north end of Milton and the Southern TIF district was created around the existing Catamount Industrial Park to improve the infrastructure so additional growth could take place within the park. The infrastructure projects included expansion of the wastewater treatment system, upgrade of the stormwater collection system, and construction of a water tank.

Total TIF district project costs amounted to $18.3 million. The town received $9.2 million in various federal and state grants for the TIF district project costs. Milton also utilized $7.3 million in loans from the Clean Water State Revolving Fund and a bond anticipation note (BAN) to finance improvements in the TIF district. Milton used tax increment to pay the loans and approximately $1.8 million of tax increment to pay directly for construction costs.

Objective 1: Correct Proportions of Tax Increment Kept in TIF Fund and Provided to Taxing Authorities in FY2018 and FY2019

In FY2018 and FY2019, Milton:

1. Retained 75 percent of education tax increment in the North/South TIF Fund, as authorized, to repay debt rather than send these tax revenues to the Education Fund.

2. Paid 25 percent of the education tax increment to the Milton School District as required.

3. Allocated 75 percent of municipal tax increment to the North/South TIF Fund, as required, and the remainder to the Town’s General Fund.

FY2019 is the last year that Milton is authorized to retain 75 percent of the education tax increment, rather than send these tax revenues to the Education Fund as is required for municipalities without a TIF district.

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5 Payments to school districts are effectively payments to the state Education Fund because municipalities work on behalf of the State to collect education property taxes and pay school districts the amount directed by the Agency of Education (AOE). The taxing authority in this instance is the State.
See Table 1 for the amounts retained in the North/South TIF Fund, paid to the local school district and allocated to Milton’s General Fund in FY2018 and FY2019.

Table 1: Education and Municipal Tax Increment Retained in the North/South TIF Fund, paid to Milton School District, and allocated to the Town’s General Fund in FY2018 and FY2019

<table>
<thead>
<tr>
<th>Tax Increment Type</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retained in North/South TIF Fund</td>
<td>Directed to Milton School District or Town General Fund</td>
</tr>
<tr>
<td>Education tax increment</td>
<td>$455,641a</td>
<td>$151,880b</td>
</tr>
<tr>
<td>Municipal tax increment</td>
<td>$155,041c</td>
<td>$51,680d</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$610,682</td>
<td>$203,560</td>
</tr>
</tbody>
</table>

a Equals 75 percent of education tax increment.
b These amounts were included in the payments Milton made to the school district in FY2018 and FY2019.
c Equals 75 percent of municipal tax increment.
d These amounts, equal to 25 percent of the municipal tax increment, were allocated to Milton’s General Fund in FY2018 and FY2019.

The retention of the appropriate portion of tax increment is reliant on the accuracy of inputs to and the calculation of tax increment. Milton’s tax increment arises from the growth in property values in the TIF district above the OTV on April 1 following VEPC’s approval of the TIF district (April 1, 1999). Table 2 demonstrates the tax increment calculation for FY2018 and FY2019.
Table 2: Education and Municipal Tax Increment Calculation for FY2018 and FY2019

<table>
<thead>
<tr>
<th>Tax increment Calculation</th>
<th>Homestead(^a)</th>
<th>Non-Residential(^a)</th>
<th>Education</th>
<th>Municipal</th>
<th>Total Tax Increment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current property value</td>
<td>2,072,824</td>
<td>64,206,325</td>
<td>66,279,150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- OTV</td>
<td>1,399,155</td>
<td>25,511,992</td>
<td>26,911,147</td>
<td></td>
<td></td>
</tr>
<tr>
<td>= incremental property value</td>
<td>673,670</td>
<td>38,694,333</td>
<td>39,368,003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>= Incremental property value (\times 1%)(^b)</td>
<td>6,737</td>
<td>386,943</td>
<td>393,680</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\times) Tax rate(^c)</td>
<td>$1.4447</td>
<td>$1.5449</td>
<td></td>
<td>$0.5251</td>
<td></td>
</tr>
<tr>
<td>= Tax increment</td>
<td>$9,732</td>
<td>$597,789</td>
<td>$607,521</td>
<td>$206,721</td>
<td>$814,242</td>
</tr>
<tr>
<td><strong>FY2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current property value</td>
<td>2,072,547</td>
<td>73,422,575</td>
<td>75,495,119</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- OTV</td>
<td>1,399,155</td>
<td>25,511,992</td>
<td>26,911,147</td>
<td></td>
<td></td>
</tr>
<tr>
<td>= Incremental property value</td>
<td>673,392</td>
<td>47,910,583</td>
<td>48,583,972</td>
<td></td>
<td></td>
</tr>
<tr>
<td>= Incremental property value (\times 1%)(^b)</td>
<td>6,734</td>
<td>479,106</td>
<td>485,840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\times) Tax rate(^c)</td>
<td>$1.4332</td>
<td>$1.6109</td>
<td></td>
<td>$0.5393</td>
<td></td>
</tr>
<tr>
<td>= Tax increment</td>
<td>$9,651</td>
<td>$771,792</td>
<td>$781,443</td>
<td>$262,013</td>
<td>$1,043,456</td>
</tr>
</tbody>
</table>

\(^a\) Homestead and non-residential properties (also known as non-homestead) are taxed at different rates for education property taxes. Homestead is the principal dwelling owned/occupied by a Vermont resident as the individual's domicile.

\(^b\) Per the Vermont Department of Taxes’ Tax Glossary, one percent of the listed property value is used to determine municipal taxes and the state education property tax.

\(^c\) Yearly tax rates for the homestead and non-residential portion are established by the State. Municipal tax rates are voted on by the municipality as part of the budget process.

The following factors contributed to Milton’s accurate calculation:

1. OTV of properties in the TIF district was certified by the Milton, VEPC, and the Vermont Department of Taxes (VDT) Property Valuation & Review division (PVR) in 2017.

2. Milton used the New England Municipal Resource Center (NEMRC), the standard software package supported by VDT, to maintain its grand list and the NEMRC TIF module to calculate incremental property taxes.\(^6\) Properties flagged in the Grand List as a TIF property automatically populate the TIF module of NEMRC. Once a TIF district is established in NEMRC, the field that contains the percentage that may be retained for education tax increment and municipal tax increment may only be changed with VEPC’s authorization. Further, once OTV is entered to the TIF set up module by municipal staff, and agreed to by

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\(^6\) Grand list is 1 percent of the listed value established by local officials, and the value used to determine municipal taxes. The education grand list is 1 percent of education property values and is the value used to determine the state education tax.
VDT, the fields are locked by NEMRC and municipal staff do not have access to alter OTV.

3. Milton has procedures in place to ensure that all properties are appropriately valued in the NEMRC system, including contracting with a professional appraisal firm to assess property values. The assessor is responsible for updating changes to the property parcels on a regular basis and is responsible for certifying the accuracy of the grand list which includes the TIF properties.

Milton’s payment of the 25 percent proportion of education tax increment to the school district is impacted, in part, by processes VDT and AOE use to ascertain the amount of statewide education property taxes owed by municipalities to school districts or the State.

- The PVR division of VDT uses grand list data submitted by the municipalities, including TIF district properties, to determine taxable education property value for each municipality. VDT then provides this data to the School Finance Division of AOE.

- School Finance uses the data to calculate how much education property tax municipalities owe to school districts or the State.

- For those municipalities with TIF districts, the payments include the percent of education tax increment required to go to the Education Fund.

Objective 2: Tax Increment Used for Eligible Purposes in FY2018 and FY2019

In FY2018 and FY2019, Milton used tax increment for annual debt service, to pay off outstanding debt balances, and for related costs which are eligible uses. See Table 3 for detail on the use of tax increment.

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7 24 V.S.A. §1891(7), 24 V.S.A. §1900, and Adopted TIF Rule 705.
Table 3: Use of Tax Increment in FY2018 and FY2019

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service*</td>
<td>$317,911</td>
<td>$301,458</td>
</tr>
<tr>
<td>Debt Payoff*</td>
<td>-</td>
<td>$2,855,297</td>
</tr>
<tr>
<td>Total debt payments</td>
<td>$317,911</td>
<td>$3,156,755</td>
</tr>
<tr>
<td>Related Costs (audit services)</td>
<td>$7,171c</td>
<td>$5,667</td>
</tr>
<tr>
<td>Total use of tax increment</td>
<td>$325,082</td>
<td>$3,162,422</td>
</tr>
</tbody>
</table>

* Total principal and interest required to be paid annually.

b The final payments on three loans were due in FY2021, FY2029, and FY2031. Milton elected to prepay the loans.

c One invoice for $2,491.50 related to services provided in FY2018 but was paid in FY2019.

From November 1998 to December 2009, Milton obtained three loans totaling $6,298,196 for TIF district improvements.8 In our previous audit, we noted that the last loan for $269,000 was obtained in December 2009, past the 10-year borrowing period allowed in statute and we determined that education tax increment could not be used to repay this debt.9 During the current audit, we sought guidance from the Attorney General’s Office (AGO) and the AGO advised it was likely that the Legislature intended to extend the borrowing period to 2019 for the Milton North/South TIF District.10 Based on the AGO guidance, we concluded that education tax increment could be used to repay the December 2009 loan.

We attribute the appropriate use of tax increment for the North/South TIF Fund to the system of controls that Milton has in place. Milton’s Finance Director obtains approval of the Selectboard for payments to be made with tax increment, reviews bank instructions prepared by the Assistant Treasurer, which indicate the account to use for payment, and reviews the journal entries prepared by staff prior to recording in the general ledger.

After paying the outstanding balance of TIF district debt in FY2019, about $199,000 remained in the North/South TIF Fund. However, this balance was understated because the Town had not transferred $17,000 from the Town Core TIF Fund11 to the North/South TIF Fund by December 15, 2013 as required by the Legislature in Act 80 (2013) to settle a finding from the prior

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8 Milton also obtained a BAN of $990,240 which was repaid with tax increment in FY2007 according to the Town’s records.

9 As of 1998, per 24 V.S.A. §1894, municipalities could incur debt for a period of 10 years following the creation of the district.

10 The first SAO audit covered activity through June 30, 2010. As of that time, no payments for the $269,000 loan had been made with incremental property tax revenue.

11 Milton has two TIF districts which are accounted for in separate funds.
SAO audit. The Town made the two other payments required by Act 80 (2013) to resolve findings from the prior SAO audit.

According to town officials, the transfer for $17,000 was drafted, but never processed. The Town transferred the $17,000 required payment into the North/South TIF Fund in January 2020.

After paying audit costs related to the final years of the TIF district operations, SAO estimates that approximately $175,000 will be in the North/South TIF Fund cash account. Per 24 V.S.A §1900 and TIF Rule 912, any balance remaining after the funds are committed for permitted uses must be distributed to the municipal general fund and the State Education Fund in proportion to the rates that generated the increment. Education tax increment was 75 percent of the tax increment recorded in the North/South TIF Fund in FY2019. As a result, 75 percent of the remaining balance, or about $131,000, is owed to the State Education Fund and approximately $44,000 to the Town’s General Fund.

Conclusions

In FY2018 and FY2019, Milton retained the appropriate portions of municipal and education tax increment in the North/South TIF fund and used tax increment for repayment of TIF district debt and related costs as allowed. In addition, Milton paid 25 percent of education tax increment to the Milton School District, as required.

FY2019 was the final year that Milton was authorized to retain 75 percent of the education tax increment, rather than send these tax revenues to the Education Fund as is required for municipalities without a TIF district. At the time of the Milton North/South TIF District’s creation in 1998, the original taxable value was almost $27 million. The current taxable value as of FY2019 was $75.5 million. The Education Fund and the Town of Milton will now have access to the full portion of the new tax base and benefit from the increased property value of $48.5 million.

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12 In the prior audit, SAO concluded that $16,628 of tax increment was used to pay for improvements to the Village Core Sewers project which was unrelated to the North/South TIF district. To resolve this audit finding, the Legislature required that the Town Core TIF Fund repay the North/South TIF Fund $17,000.

13 The FY2019 ending cash balance was approximately $199,000. After receiving $17,000 from the Town Core TIF Fund in January 2020 and paying audit and legal fees, about $195,000 remained. The Town owes about $20,000 for audit costs, leaving approximately $175,000 cash in the North/South TIF Fund which is required to be distributed to taxing authorities.
Management’s Comments

On February 18, 2020, the Town Manager for the Town of Milton provided comments on behalf of the Town. The Town Manager confirmed that management reviewed the draft report and agrees with the findings and conclusions. Appendix III contains a reprint of the comments.
Appendix I
Scope and Methodology

To address our objectives, we researched statutes, acts, session law and TIF Adopted Rules to gain an understanding of the requirements applicable to Milton’s North/South TIF district relative to retention and eligible use of tax increment. We reviewed the 2012 Milton TIF district audit report prepared by SAO, prior audit workpapers and subsequent recommendation follow-up. We also reviewed Milton’s annual report of TIF district activity to VEPC and the audited financial statements for FY2018. We reviewed the TIF District Reconciliation approved by the City Council and submitted to VEPC in February 2017.

We read Milton’s financial and accounting policies and procedures and interviewed municipal officials regarding policies, procedures and internal controls over calculating tax increment and utilizing tax increment. We inquired about Milton’s internal controls to ensure the accuracy of the tax increment calculation and the use of tax increment consistent with statute and requirements specific to Milton.

For our first objective, we reviewed Milton’s separation of the TIF activities and resources into the North/South TIF District Fund and the Town Core TIF District Fund in FY2014. We validated the activity in the worksheet Milton provided which was used to separate the single fund into two funds. We agreed the activity to supporting documentation such as the tax increment calculation from the NEMRC system and invoices supporting expenses charged to the single fund and debt service payments to the amortization schedules. We then verified the amounts in the worksheet to the FY2014 audited financial statements to ensure they accurately presented two separate TIF funds.

We recalculated education and municipal tax increment for FY2018 and FY2019 using data in the NEMRC TIF Parcel Value Reports and the NEMRC TIF Proceeds Report. We relied, in part, on audit work performed by Milton’s independent auditors for FY2018. To rely on this work, we evaluated the qualifications and independence of the audit firm and assessed the relevance of the work performed to our audit objective. For FY2019, we validated the education tax rates to the published rates available on the VDT website and the municipal tax rates to rates published in the City Council minutes and approved by voters. We verified that the percent of education tax increment retained was no greater than 75 percent and the municipal tax increment was 75 percent, as required. We corroborated the recalculated amounts with Milton’s TIF District Fund per the FY2018 audited financial statements and TIF District Fund general ledger accounts for FY2019.

We evaluated the processes used by VEPC and the PVR division to certify the OTV of properties in two TIF districts to determine whether we could rely on the certified OTV for Milton that was used in the tax increment calculation. We compared Milton’s certified OTV to the OTV in the TIF Parcel Value Report.

To assess the reliability of the current values in the TIF Parcel Value Report, we interviewed town officials and the contracted appraiser to understand how the Town’s grand list is maintained and the source of data in the grand list. We also
Appendix I
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discussed how changes in property values were identified and adjusted in the grand list to ensure completeness and accuracy of properties in the TIF district. We selected a sample of data parcels from the Milton Billed Grand List TIF Parcel Value reports (education and municipal) for FY2018 and FY2019 from the TIF module of NEMRC and compared the values to the information contained in the grand list module of NEMRC to verify that the data in the TIF Parcel Value report reflected the values in the Grand List.

To assess whether Milton paid 25 percent of education tax increment to the Education Fund, we met with PVR to gain an understanding of the processes used by PVR and AOE to determine the education property tax payments municipalities owe to school districts. We obtained property value data submitted to VDT by Milton for FY2018 and FY2019 and determined whether the reported amount of the TIF exemption for homestead and nonresidential properties was equal to 75 percent of the incremental property value in the TIF district. We assessed whether the TIF exemption was excluded from the education list value and compared the education list value per the data submitted by Milton to the education list value used by AOE to calculate Milton’s education tax liability. We verified whether the Town of Milton paid the Milton School District the education tax liability calculated by the AOE for FY2018 and FY2019. We calculated the 25 percent amount of education tax increment required to be paid by Milton to their local municipal school district.

For our second objective, we determined how tax increment was used and assessed whether Milton’s debt instruments were eligible to be repaid with tax increment. We obtained an informal opinion from the Attorney General’s Office regarding whether one of the loans, taken out in December 2009 outside of the 10-year borrowing period allowed by statute, could be repaid with tax increment. We reviewed all three loans agreements and amendments and agreed TIF annual debt payments and subsequent loan payoff amounts per the general ledger and Town bank account records in FY2018 and FY2019 to the debt repayment schedules in the loan agreements.

We reviewed the FY2018 audited financial statements, and financial records and management reports for FY2018 and FY2019 for related costs reported in the TIF district fund. We assessed whether there was tax increment available, after debt repayment, to pay related costs in FY2018 and FY2019, and whether the related costs were eligible to be paid with tax increment.

We reviewed supporting documentation provided by the Town’s Finance Director to verify that all three payments required by Act 80 (2013) to resolve findings from the prior FY2012 SAO Milton TIF audit had been made accordingly.

We performed our audit between June 2019 and January 2020, which included visits to the town offices in Milton, Vermont. We conducted this performance audit in accordance with generally accepted government auditing standards, which require that we plan and perform the audit to
Appendix I
Scope and Methodology

obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
## Appendix II

### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOE</td>
<td>Agency of Education</td>
</tr>
<tr>
<td>BAN</td>
<td>Bond Anticipation Note</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>NEMRC</td>
<td>New England Municipal Resource Center</td>
</tr>
<tr>
<td>OTV</td>
<td>Original Taxable Value</td>
</tr>
<tr>
<td>PVR</td>
<td>Property Valuation and Review</td>
</tr>
<tr>
<td>SAO</td>
<td>State Auditor’s Office</td>
</tr>
<tr>
<td>TIF</td>
<td>Tax Increment Financing</td>
</tr>
<tr>
<td>VDT</td>
<td>Vermont Department of Taxes</td>
</tr>
<tr>
<td>VEPC</td>
<td>Vermont Economic Progress Council</td>
</tr>
<tr>
<td>VSA</td>
<td>Vermont Statutes Annotated</td>
</tr>
</tbody>
</table>
Appendix III
Management’s Comments

The following is a reprint of management’s response to a draft of this report.

February 18, 2020

Mr. Douglas Hoffer
Vermont State Auditor
132 State Street
Montpelier, VT 05633-5101

Dear Mr. Hoffer:

The Town of Milton’s management has reviewed the report “Tax Increment Financing District Town of Milton – Correct Amount of Tax Increment Retained and Used for Authorized Purposes in North/South District” and agrees with the findings and conclusions detailed in the report.

Sincerely,

[Signature]

Don Turner, Jr.