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December 29, 2022

Performance Audit  
Recommendations and  
Corrective Actions for Audit:  
21-03

TAX INCREMENT  
FINANCING  
DISTRICT: BARRE CITY

City Managed TIF District in  
Accordance with Requirements,  
Except Too Little Tax Increment  
Retained and Too Much Paid to  
School District

Dated: July 20, 2021

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# Overview

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The State Auditor's Office (SAO) makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Rec #	Recommendation	Follow-Up Date	Status	Review Comments
1	Establish and implement procedures, including maintenance of supporting documentation, for an annual reconciliation process between the City's TIF district property records and the City's property data used by PVR and AOE. Specifically, ensure the procedures include verification that 1) the TIF exemptions per the City's final Form 411 submitted to PVR agrees to the TIF exemption stated on the City's TIF Parcel Value report and 2) the total education grand list, after exemptions, per the City's final Form 411 agrees to the EPV used by AOE for the education tax liability calculation.	2022	Implemented	The City asserted that it obtains and reconciles the appropriate reports and provided the FY2022 form 411, TIF Education parcel value report, and AOE Cash Flow report with relevant sections highlighted as an example.
No further follow-up is required because the recommendation was implemented.				
2	Transfer \$36,790 from the General Fund to the TIF Fund.	2022	Implemented	The City transferred \$36,790 from the City General Fund to its TIF Fund, in accordance with the recommendation.
No further follow-up is required because the recommendation was implemented.				
3	Retain documentation of Barre communication with VEPC and/or PVR, especially, in instances of error resolution.	2022	Implemented	The City Clerk/Treasurer stated that City officials are committed to document all conversations with state officials and archive all correspondence related to requests for adjustments or error resolutions.
No further follow-up is required because the recommendation was implemented.				
4	Seek a legislative remedy to obtain a reimbursement from the Education Fund for the overpayment of education property taxes to the local school district.	2022	Implemented	The City of Barre was reimbursed \$20,962 from the State Education Fund, in accordance with the recommendation.
No further follow-up is required because the recommendation was implemented.				