City and Town

Navjeet K. Bal, Commissioner • Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

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Please consider the environment before printing this newsletter.

New Impacts on Audits of Local Governments

F. Ellis FitzPatrick, CPA, CGFM, Bureau of Accounts and Scott C. McIntire, CPA Melanson Heath & Company, PC

The Auditing Standards Board of the American Institute of Certified Public Accountants has issued several new standards for audits (Statement on Auditing Standards or SAS) that will impact the audits of local governments. Before we discuss these new standards we should explain certain concepts that are, at times, misunderstood.

The first misunderstanding is with regard to who is responsible for preparing the audited financial statements. The management of a community is responsible for preparing the financial statements. While your auditors may actually type the financial statements, they do so as a service to your community; but the ultimate responsibility for the completeness and accuracy of the statements is with the community's management.

As such, community management must understand what is presented in the financial statements and be prepared to explain them to elected officials and the external financial community.

In addition, community management (or those charged with governance) is responsible for the internal control systems including technology, financial, and staffing. Auditors are required to assess and report on the system.

Management must continually assess whether problems can occur and where their risks lie. Even with an adequate system, people can override systems and controls. The "system" doesn't just mean computer systems. It is the entire control environment that ensures that financial transactions are properly recorded and financial statement are prepared in accordance with generally accepted accounting principles. Systems include the adequacy, performance and evaluation of staff. Oversight of the system is extremely important. Staff can override controls, therefore, the system must include processes to review the control environment and detect unusual activity.

The new standards increase the auditor's responsibility to assess and report on the control environment. This means that readers of the management letter will, probably, see more issues identified. Some of these issues may have existed in the past; however, the fact that auditors didn't report on these issues does not mean the auditor failed to uncover them or was remiss in not reporting them.

SAS 112 ("Communicating Internal Control Related Matters Identified in an Audit") redefines the types of internal control issues that will be reportable. In previous Management Letters you may have seen conditions that were identified as "reportable conditions" and "material weaknesses." SAS 112 changes the term "reportable condition" to "significant deficiency" and, though, the term "material weakness" is retained, it is defined differently.

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DLS Commentary

As we continue to ride out the challenges of fiscal year 2009 with our eyes open to fiscal year 2010, DLS would like to thank municipal officials for their continued dedication and hard work. We appreciate how dire these times are, the tough choices you've had to make and will continue to make this spring at town meetings and city council meetings across the Commonwealth. We know that you are working to keep your doors open and the lights on. Please call on your DLS colleagues for assistance as you prepare for the upcoming fiscal year.

In that regard, we've covered several oft-asked topics in this month's issue, including auditing standards for municipalities, library finances, and the motor vehicle excise. Our annual look at motor vehicle excise details a story you already know; not surprisingly, excise revenues continue to trend down as the age of our vehicles continues to increase.

As usual, we welcome all feedback on *City and Town* and other municipal issues.

Robert G. Nunes

Robert G. Nunes
Deputy Commissioner &
Director of Municipal Affairs

Best Practices

Personal Property Discovery and the Uniform Commercial Code

Robert J. Allard, Jr., City Assessor Worcester

The proper assessment of personal property has always been a challenge for municipal assessors. Taxpayers submit their personal property and its value on the form known as a "Form of List." Form of Lists are submitted annually and are scrutinized with a somewhat-doubting-eye as we read taxpayer statements regarding furniture and machinery that are worth only $150 in depreciated market value. Other taxpayers never submit a return and the assessors always question themselves, "Do they not know to submit? Or do they not submit for fear of increased assessments?"

During the course of the year, there are routine and cyclical inspections of businesses, and each time, I return to the office with scribbled notes about some brand of autoclave and the approximate year it was new. My notes begin an online search for the cost of the item when "new," based on that approximation and I usually realize that while I had the brand right, I'm not sure about the model number or exact year, which I need to assess the value.

This year, it was brought to our attention that a method existed that would allow us to "discover" assets owned by our taxpayers that are not being reported to assessors. Our office put our heads together and figured out how we could accomplish this task.

The result was right on the Secretary of State's website, in the form of the Uniform Commercial Code (UCC) Public Search, which can be found at: http://corp.sec.state.ma.us/uccfiling/uccSearch/Default.aspx. Just like the recording of a deed is a public notice of the conveyance of real property, a UCC filing is made to record a debt of one party to another. Major equipment purchases usually occur when the seller arranges to accept payment over a certain period of time. Until the borrower's debt is paid, the UCC filing records the borrower's indebtedness.

... a method existed that would allow us to "discover" assets owned by our taxpayers that are not being reported to assessors.

To use the UCC Public Search, I would recommend that you start by typing "A" for the last name, enter your community in the "City" dialog box and enter "01/01/2008" in the "Search for items filed this date and later" dialog box. New UCC filings will be noted as "UCC-1." You can also obtain financing and asset information through the "Termination" and "Continuation" filing types, but you have to pull up the original "UCC-1" filing, which is in a PDF format. If the original filing was from a previous year, you can enter the asset but be sure to use the correct year of acquisition. Once done with the "A" list, go on to "B" and the rest of the alphabet.

Once you've discovered an asset, phase two of the process is to get on the Internet and search for the cost new of the item in question. Any search engine will do and you'll find you may have to estimate an approximate value because many manufacturers are reluctant to publish prices for their equipment. The more you search around, the more confident you will be in coming up with an approximate cost for the item when new, if you find you have to estimate a value.

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Legal

Library Trust Funds and Other Related Issues

James Crowley, Esq., Municipal Finance Law Bureau

Certain municipal finance questions have frequently been raised over the years pertaining to libraries. At the top of the list are the subjects of library trust funds and permissible expenditures of public funds for library purposes.

Generally, the municipal treasurer is the custodian of all funds, including trust funds, pursuant to M.G.L. Ch. 41 Sec. 35 and Ch. 41 Sec. 46. There is, however, an exception to this general rule. Where a donor creates a public charitable trust and expressly provides that the custody of the trust funds be with someone other than the municipal treasurer, then the intention of the donor must prevail.

This exception was the basis for the Supreme Judicial Court decision of *Trustees of the Public Library of Melrose v. City of Melrose*, 316 Mass. 584 (1944). In that case, two bequests in wills were made to the trustees of the city library with the principal to be held and invested by the trustees and the income to be expended for the benefit of the library as the trustees deemed prudent. The city argued that the city treasurer should have custody and control of these trust funds. The court disagreed. Relying on the express language in the two wills, the court ruled that the testators intended that the library trustees should be custodians of the funds with full power of investment and disposition in accordance with the terms of the bequests.

A community can appropriate funds for the operation and maintenance of a privately owned library. Sometimes, a "free public library" operates in a community. The term "free public library" means a library wholly or partially under private control but which is open to the public. Under M.G.L. Ch. 40 Sec. 5, municipalities may appropriate money for their corporate purposes on terms and conditions consistent with state law. Before the statute was amended in 1989, it included numerous specific provisions regarding allowable spending purposes. One such provision, M.G.L. Ch. 40 Sec. 5 Cl. 18, allowed a municipality to appropriate money for the, "establishment, maintenance or increase of a public library." The Attorney General had interpreted the statutory phrase "public library" to mean that a municipality could appropriate money for a library under public control as well as any library to which the general public has free access (6 Op. Atty. Gen. 18 (1921)).

If a city or town pays more than half of the free public library's operating expenses, the library's employees must become part of the public retirement system ... and are eligible for the municipal health insurance plan.

Appropriation for the operation of a free public library would not contravene the State Constitution's Anti-Aid Amendment since the Massachusetts State Constitution in Article 18 as most recently amended by Article 103 specifically authorizes municipal appropriations "for the maintenance and support" of free public libraries that are privately owned. If a city or town pays more than half of the free public library's operating expenses, the library's employees must become part of the public retirement system (M.G.L. Ch. 32) and are eligible for the municipal health insurance plan (M.G.L. Ch. 32B). To ensure the proper withholding of employee contributions for retirement and health insurance purposes, the library payroll would have to be integrated with the municipal payroll and accounting records and be approved through the warrant process. Otherwise, a free public library is a private corporation not a municipal department and its bills and payrolls would not require the same approval by a municipal accounting officer as the bills of municipal departments, unless the municipality makes that approval a condition of its support.

A municipality can build a library that it would own and can borrow funds for pursuant to M.G.L. Ch. 44 Sec. 7 Cl. 3. A municipality can also borrow for "remodeling, reconstructing or making extraordinary repairs to public buildings owned by the city or town" pursuant to M.G.L. Ch. 44 Sec. 7 Cl. 3A. A city or town, however, is not authorized to borrow money to pay all or a portion of the cost of a capital improvement to a library building not owned by the municipality. While the use of public funds for the operating budget of a free public library is clearly permissible under the Anti-Aid Amendment to the Massachusetts State Constitution, the expenditure of public money for repairs to the "free public library" appears to be impermissible assistance to a charitable institution not controlled by public officers.

Since many communities have adopted the Community Preservation Act (CPA), which permits a surcharge for certain enumerated purposes, some have questioned whether a community could use CPA funds to make repairs to town owned buildings, such as the town library. A community can use CPA money to preserve, rehabilitate or restore historic resources, which are defined in M.G.L. Ch. 44B Sec. 2 to mean

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Focus on Municipal Finance

Revenue from Motor Vehicle Excise Likely Heading Down Again as Vehicle Sales Decline and Average Vehicle Age Increases

Robert Bliss, DOR Director of Communications
Data by Jared Curtis, Databank Analyst

"With lottery revenue falling short of meeting local aid expectations, a projected $1.3 billion gap in the next state budget, new property tax growth slowing down and municipal costs continuing to run ahead of revenues, the last thing local officials need is another dose of fiscal bad news. But here it is: revenues from the Motor Vehicle Excise are leveling off and seem poised to decline in the coming fiscal year." –December 2007 City and Town

One year later, the news is worse on almost all fronts: the state budget gap this fiscal year is at least $2.5 billion; there is very little new growth to bolster the allowed 2.5 percent increase in local property tax collections; an intense winter of snow and ice cleanup has exceeded appropriations; a mid-year reduction in local aid; and other than getting a break in operating costs due to the declining cost of fuel oil and gasoline, local budgets are even tighter.

And as for revenue from the motor vehicle excise — well, it bucked the tide a little, increasing from $636.9 million in FY07 to $681.5 million in FY08. However, this important unrestricted revenue source for cities and towns, delivering an amount roughly equivalent to the state's collection of fuel excise tax revenue, remains vulnerable due to declining sales of new motor vehicles and the aging of our vehicle fleet.

Due to the way the motor vehicle excise ($25 per $1,000 valuation) is structured, the maximum amount of revenue is generated in the first couple of years after sale. The excise tax depreciation schedule is 50 percent for the year prior to manufacture, 90 percent in the model year of manufacture, 60 percent in the second year after, 40 percent in the third year after, 25 percent in the fourth year after and 10 percent in the fifth and subsequent years.

Sales of new cars are way down. Both foreign and domestic automakers are reporting declining sales of new cars in the range of 30 percent and higher, which explains why motor vehicle sales tax collections statewide are already down $43 million from a year ago, a decline of nearly 15 percent. For FY08, the Commonwealth collected $502 million from the sale of new and used motor vehicles, which was down $27 million or 5 percent less than the previous fiscal year. If current trends continue, the Commonwealth could easily see a drop of well over 10 percent in its FY09 motor vehicle sales tax collections.

The average vehicle age in Massachusetts has grown 16 percent in just two years, and 33 percent since FY2000.

Not surprisingly, this sales tax collection slump can be a predictor of declining motor vehicle excise collections. In FY06, the excise collection statewide totaled $694,258,568, which exceeded the budgeted amount of $649,722,435. In FY07, these collections came back down to earth. The excise collection statewide totaled $636,886,143, falling short of the budgeted total of $660,302,818. In FY08, the budgeted total was $639,928,569, while the actual collection to date (341 out of 351 cities and towns) has come in higher at $681,528,194. The positive gap between budgeted and actually

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Fiscal Year 1997–2008 State Totals

Fiscal year	Motor vehicle excise	Total budget	Pct. of budget	Pct. change from prior year
1997	413,125,946	11,951,637,634	3.46	—
1998	469,266,235	12,622,550,542	3.72	13.59
1999	472,968,007	13,456,708,724	3.51	0.79
2000	534,082,837	14,282,454,671	3.74	12.92
2001	583,164,568	15,246,078,524	3.83	9.19
2002	609,933,729	16,199,645,405	3.77	4.59
2003	645,159,707	16,721,962,244	3.86	5.78
2004	635,827,428	17,084,298,244	3.72	(1.45)
2005	683,167,505	17,810,903,509	3.84	7.45
2006	694,258,568	18,826,543,229	3.69	1.62
2007	636,886,143	19,937,602,847	3.19	(8.26)
2008*	681,528,194	20,912,130,752	3.26	7.01

*FY2008 actual collections for 341 out of 351 municipalities.

Table 1

Motor Vehicle Excise Revenue continued from page 4

collected indicates that cities and towns are no longer overestimating their motor vehicle excise collections.

That's a good thing, given that the average age of a motor vehicle in Massachusetts continues to increase. In 2000, just before the dot-com crash and 9/11 brought the economy down, the average age of a vehicle in Massachusetts was 7.66 years. In 2006, the average vehicle age was 8.82 years. That grew by a year to 9.83 in 2007 and in 2008 jumped again, to 10.12 years old. While we're a far cry from resembling a Hollywood back lot filled with fin-backed cars from the 1950s, the average vehicle age in Massachusetts has grown 16 percent in just two years, and 33 percent since FY2000.

As a percentage of total revenue for cities and towns, the motor vehicle excise collection hit its high point in FY03, when the statewide collection of $645,159,707 was equal to 3.86 percent of all city and town budgets. Since then, the annual collection has dropped to 3.06 percent.

Which 10 communities house the oldest vehicles? Six of the 10, not surprisingly, are island towns where residents may choose to keep an old beater running rather than move it off the island: (1) **Aquinnah**, 14.29 years, (2) **Nantucket**, 14.05 years, (4) **Edgartown**, 13.08 years, (5) **Chilmark**, 13.06 years, (8) **Oak Bluffs**, 12.83 years, (10) **Tisbury**, 12.64 years. The other communities filling out the roster of the communities with the oldest vehicles are (3) **Lawrence**, 13.18 years, (6) **Springfield**, 13.04 years, (7) **Mt. Washington**, 13.03 years, and (9) **Ayer**, 12.66 years.

The 10 communities with the average youngest vehicles, all suburban commuter towns, in ascending order are **Sharon** (7.71 years), **Needham** (7.82 years), **Southborough** (7.98 years), **Hopkinton** (8.02 years), **Lexington** (8.05 years), **Reading** (8.10 years), **Westwood** (8.12 years), **Andover** (8.16 years), **Holden** (8.17 years) and **Sudbury** (8.19 years).

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Motor Vehicle Excise — Oldest Vehicle Age

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill	Rank in vehicle age (oldest)
Aquinnah	37,217	34,338	36,899	14.29	75.35	340	1
Nantucket	2,074,726	2,512,510	2,099,570	14.05	110.86	131	2
Lawrence	3,244,878	3,170,776	2,990,120	13.18	74.96	342	3
Edgartown	798,923	970,580	726,215	13.08	100.70	185	4
Chilmark	197,416	172,060	202,647	13.06	100.28	195	5
Springfield	9,206,553	9,211,096	8,635,626	13.04	81.02	318	6
Mount Washington	18,639	21,781	21,214	13.03	100.26	196	7
Oak Bluffs	711,954	733,761	611,300	12.83	91.47	254	8
Ayer	746,297	800,786	737,205	12.66	98.62	203	9
Tisbury	677,165	667,729	524,776	12.64	100.64	187	10

Table 2

Motor Vehicle Excise — Youngest Vehicle Age

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill	Rank in vehicle age (youngest)
Sharon	2,556,712	2,673,656	2,433,075	7.71	145.36	25	1
Needham	4,301,123	4,300,194	4,124,378	7.82	151.98	13	2
Southborough	1,792,140	1,918,873	1,758,885	7.98	162.77	6	3
Hopkinton	2,388,749	2,365,761	2,069,150	8.02	149.02	18	4
Lexington	4,179,205	4,233,625	3,891,374	8.05	143.57	28	5
Reading	2,937,456	2,835,294	2,756,670	8.10	125.89	56	6
Westwood	2,309,888	2,298,851	2,135,755	8.12	154.77	9	7
Andover	4,666,645	5,000,633	4,563,040	8.16	152.64	12	8
Holden	2,178,804	2,180,935	2,054,258	8.17	115.00	98	9
Sudbury	2,789,222	2,965,914	2,589,563	8.19	165.28	5	10

Table 3

Motor Vehicle Excise Revenue continued from page 5

The lowest-average-bill top 10 communities, all from western Massachusetts, in ascending order are **Wendell** ($60.87), **Buckland** ($67.08), **Montague** ($70.61), **Heath** ($72.04), **Colrain** ($72.54), **Royalston** ($72.82), **Orange** ($73.74), **Erving** ($73.97), **Middlefield** ($74.24) and **Cummington** ($74.96).

The 10 communities with the highest average motor vehicle excise tax bills, all of them commuter communities, in descending order are **Weston** ($207.85), **Dover** ($187.16), **Wellesley** ($180.11), **Lynnfield** ($165.49), **Sudbury** ($165.28), **Southborough** ($162.77), **Sherborn** ($159.23), **Boxford** ($157.90), **Westwood** ($154.77) and **Brookline** ($154.37). ■

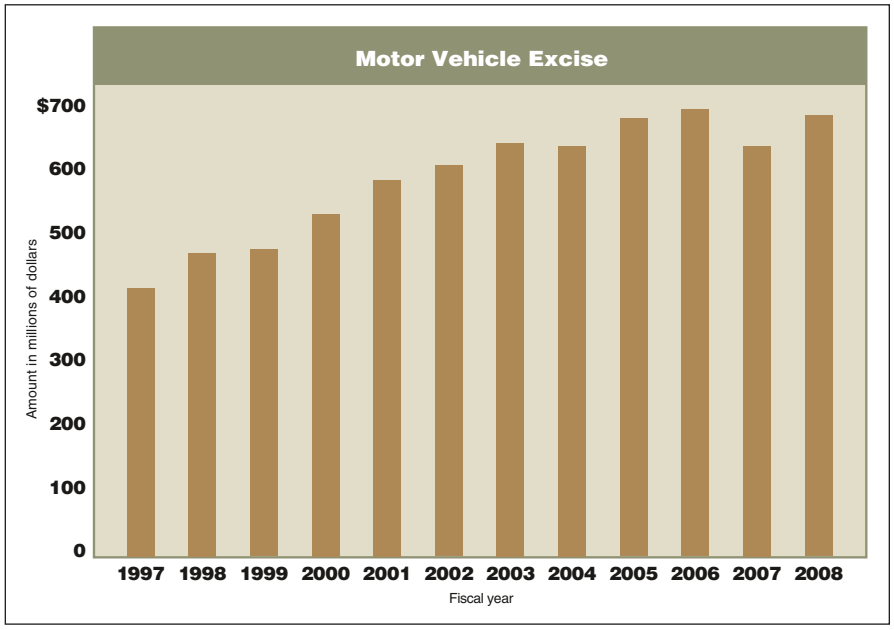


Figure 1

Motor Vehicle Excise — Highest Average Bill

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill (high to low)	Rank in vehicle age
Weston	2,231,627	2,424,150	2,295,515	8.27	207.85	1	337
Dover	1,153,757	1,252,375	1,112,783	8.89	187.16	2	279
Wellesley	3,982,884	4,278,251	4,061,254	8.36	180.11	3	334
Lynnfield	1,967,215	1,982,493	2,084,551	8.25	165.49	4	338
Sudbury	2,789,222	2,965,914	2,589,563	8.19	165.28	5	342
Southborough	1,792,140	1,918,873	1,758,885	7.98	162.77	6	349
Sherborn	736,899	761,141	707,271	9.00	159.23	7	264
Boxford	1,473,343	1,526,173	1,399,843	8.52	157.90	8	320
Westwood	2,309,888	2,298,851	2,135,755	8.12	154.77	9	345
Brookline	5,314,315	5,456,912	4,691,252	8.65	154.37	10	302

Table 4

Motor Vehicle Excise — Lowest Average Bill

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill (low to high)	Rank in vehicle age
Wendell	78,829	74,502	71,140	10.02	60.87	1	132
Buckland	174,550	172,077	157,382	10.57	67.08	2	71
Montague	690,721	711,979	622,330	11.17	70.61	3	39
Heath	74,094	77,735	69,278	11.65	72.04	4	20
Colrain	166,354	163,403	153,226	11.33	72.54	5	32
Royalston	139,708	135,738	128,754	10.51	72.82	6	76
Orange	692,236	654,606	621,260	11.09	73.74	7	43
Erving	145,131	149,699	134,009	11.13	73.97	8	41
Middlefield	69,823	58,759	52,413	11.70	74.24	9	19
Cummington	98,545	90,264	85,684	10.91	74.96	10	55

Table 5

Motor Vehicle Excise – Collections, Average Age, Average Bill and Ranks

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill	Rank in vehicle age
Abington	1,644,394	1,811,068	1,694,920	9.22	104.29	162	234
Acton	3,151,571	2,805,457	2,690,323	8.49	129.26	47	324
Acushnet	1,178,968	1,137,817	1,059,520	9.83	86.95	285	154
Adams	787,159	871,865	685,639	9.75	87.30	280	163
Agawam	3,515,538	3,343,992	3,265,346	9.66	102.61	174	178
Alford	81,610	94,604	67,747	10.42	111.15	128	83
Amesbury	1,705,090	1,736,714	1,719,693	9.75	99.40	200	164
Amherst	1,474,547	1,516,654	1,438,646	10.32	87.91	276	93
Andover	4,666,645	5,000,633	4,563,040	8.16	152.64	12	344
Aquinnah	37,217	34,338	36,899	14.29	75.35	340	1
Arlington	4,196,714	4,110,106	4,021,994	8.71	115.28	96	293
Ashburnham	729,870	740,207	648,208	9.74	93.01	245	166
Ashby	362,849	368,328	343,048	10.34	85.77	293	90
Ashfield	179,480	175,590	166,192	10.39	76.22	335	86
Ashland	2,185,622	2,146,959	2,037,891	8.80	120.15	73	285
Athol	932,034	1,075,095	1,007,386	10.35	80.64	320	87
Attleboro	4,291,583	4,367,710	4,361,513	10.11	97.42	210	111
Auburn	2,513,461	2,678,352	2,196,487	8.54	120.04	75	318
Avon	685,397	830,886	702,872	9.93	113.16	112	139
Ayer	746,297	800,786	737,205	12.66	98.62	203	9
Barnstable	6,386,338	6,163,819	6,564,930	10.35	107.25	148	88
Barre	583,107	584,209	569,595	10.32	84.62	300	94
Becket	218,978	227,932	222,604	11.38	89.59	264	30
Bedford	1,623,299	1,589,210	1,573,334	9.10	126.27	53	248
Belchertown	1,541,698	1,559,306	1,462,439	10.04	90.65	259	125
Bellingham	2,019,624	1,987,634	1,948,902	9.32	107.23	149	219
Belmont	2,507,652	2,877,589	2,573,892	8.62	131.85	43	308
Berkley	783,905	757,785	663,203	9.45	93.33	241	208
Berlin	384,475	374,468	339,969	10.82	103.82	168	60
Bernardston	263,757	276,266	235,325	9.86	83.73	309	150
Beverly	4,093,728	4,574,980	3,936,807	9.48	111.20	127	205
Billerica	5,111,443	5,190,388	5,135,950	9.15	111.98	119	242
Blackstone	1,024,458	1,007,301	892,349	10.16	92.31	247	109
Blandford	193,607	124,920	162,124	11.26	90.62	260	34
Bolton	788,994	775,880	709,583	8.59	133.48	36	312
Boston	44,763,537	50,177,382	34,500,196	10.43	135.08	35	82
Bourne	2,375,515	2,496,559	2,281,830	9.64	106.99	151	182
Boxborough	686,168	659,727	607,787	8.37	115.33	95	333
Boxford	1,473,343	1,526,173	1,399,843	8.52	157.90	8	320
Boylston	745,816	683,051	663,505	8.32	126.65	51	335
Braintree	4,664,382	4,546,406	4,196,097	8.62	122.89	62	309
Brewster	1,357,661	1,307,733	1,218,700	10.07	98.00	206	119
Bridgewater	2,877,253	2,754,313	2,585,577	8.94	115.18	97	270
Brimfield	423,801	465,381	422,410	10.19	91.98	248	107
Brockton	6,325,121	6,747,989	5,901,130	11.27	87.66	277	33
Brookfield	369,020	427,558	342,947	9.61	87.02	284	185
Brookline	5,314,315	5,456,912	4,691,252	8.65	154.37	10	302
Buckland	174,550	172,077	157,382	10.57	67.08	350	71
Burlington	2,871,027	3,127,822	2,822,104	8.54	121.55	67	319
Cambridge	6,296,905	5,876,448	5,688,557	9.93	116.03	91	140
Canton	3,222,639	3,438,269	3,364,215	8.24	147.71	22	339
Carlisle	817,279	824,381	849,392	8.92	147.95	20	275
Carver	1,281,465	1,306,936	1,118,530	9.50	93.99	240	201
Charlemont	133,028	124,387	119,253	11.54	77.18	331	26
Charlton	1,591,891	1,838,814	1,583,292	9.00	104.15	164	262
Chatham	1,141,208	1,118,515	1,022,660	10.89	108.24	143	56
Chelmsford	3,948,418	4,781,801	4,173,753	8.62	113.42	110	310
Chelsea	2,766,554	2,593,947	2,141,510	11.11	130.50	46	42
Cheshire	413,014	431,022	419,063	10.09	90.94	258	114
Chester	137,439	113,330	137,843	12.00	78.10	327	15
Chesterfield	146,897	126,948	126,684	10.79	76.98	332	61
Chicopee	4,195,976	5,139,353	4,635,488	10.74	87.04	283	63
Chilmark	197,416	172,060	202,647	13.06	100.28	195	5
Clarksburg	165,369	175,120	127,560	9.24	86.84	287	232
Clinton	1,292,107	1,411,475	1,286,443	9.66	95.00	233	179
Cohasset	1,283,958	1,219,177	1,237,101	8.89	152.67	11	278
Colrain	166,354	163,403	153,226	11.33	72.54	347	32
Concord	2,415,450	2,458,012	2,279,324	8.50	146.04	24	321
Conway	209,760	232,488	224,259	9.35	90.33	261	218
Cummington	98,545	90,264	85,684	10.91	74.96	341	55
Dalton	801,676	769,480	717,596	9.10	97.91	208	249
Danvers	3,693,096	3,445,219	3,640,840	8.50	126.54	52	322
Dartmouth	3,679,226	3,693,291	3,347,697	9.41	102.60	175	211
Dedham	2,909,495	2,851,973	2,648,435	9.10	119.97	77	250
Deerfield	651,354	641,256	607,617	9.91	99.93	198	141
Dennis	2,424,617	2,114,689	1,861,457	10.41	102.12	179	85
Dighton	802,317	806,751	734,474	9.94	95.07	232	135
Douglas	975,845	1,066,205	986,577	9.60	99.11	202	186
Dover	1,153,757	1,252,375	1,112,783	8.89	187.16	2	279
Dracut	3,574,875	3,552,641	3,404,061	9.31	104.13	165	222
Dudley	1,261,662	1,306,286	1,146,378	9.00	100.57	188	263
Dunstable	455,068	446,826	411,086	9.29	111.79	121	223
Duxbury	2,510,894	2,394,163	2,265,230	8.55	140.50	31	317
E. Bridgewater	1,355,610	1,649,497	1,412,469	9.79	94.26	236	158
E. Brookfield	282,121	313,369	261,989	8.85	95.98	221	281
E. Longmeadow	1,924,912	1,911,286	1,817,065	9.19	109.36	139	237
Eastham	762,832	760,272	727,700	10.49	95.35	228	78
Easthampton	1,478,746	1,480,745	1,429,971	9.87	84.28	303	148
Easton	3,027,053	3,095,979	2,771,420	8.72	125.99	55	292
Edgartown	798,923	970,580	726,215	13.08	100.70	185	4
Egremont	210,908	206,544	181,375	10.99	109.02	140	48
Erving	145,131	149,699	134,009	11.13	73.97	344	41
Essex	495,980	558,688	480,872	10.05	106.06	155	123
Everett	2,690,678	3,603,925	3,030,910	10.49	103.27	170	79
Fairhaven	1,572,210	1,720,989	1,544,778	9.85	88.81	270	151
Fall River	6,632,822	6,118,688	6,033,577	10.71	82.02	316	67
Falmouth	5,007,546	4,001,278	4,269,746	9.89	104.84	160	144
Fitchburg	3,082,766	3,165,362	2,968,099	10.74	87.19	281	64
Florida	66,843	66,684	84,348	11.34	76.79	333	31
Foxborough	2,378,800	2,327,507	2,259,818	8.68	123.90	60	296
Framingham	7,272,419	7,312,982	6,518,172	9.65	107.16	150	180
Franklin	4,073,300	4,270,203	4,255,876	8.42	131.47	44	328
Freetown	1,226,711	1,471,991	1,306,255	9.74	101.20	182	167
Gardner	1,798,491	1,767,482	1,698,560	9.59	91.46	255	187
Georgetown	1,114,922	1,159,888	1,142,845	9.26	118.99	80	227
Gill	189,662	199,720	157,010	10.52	77.42	330	75
Gloucester	3,116,383	2,775,800	2,911,120	10.02	100.52	189	130
Goshen	108,778	118,998	103,227	11.00	80.83	319	46
Gosnold	3,454	5,069	4,861	11.21	91.72	251	36
Grafton	1,921,587	2,182,770	2,088,642	8.64	118.65	83	307
Granby	708,718	729,201	625,791	10.54	83.12	313	72
Granville	163,847	177,744	210,241	11.89	86.73	288	16
Grt. Barrington	882,612	832,912	761,572	10.53	100.01	197	73
Greenfield	1,507,042	1,507,242	1,298,207	10.67	80.58	321	68
Groton	1,335,878	1,377,205	1,300,645	9.11	116.36	88	247
Groveland	846,896	794,955	752,837	8.99	104.88	159	266
Hadley	582,731	613,577	550,637	10.33	89.68	262	91
Halifax	870,856	850,421	836,882	9.63	91.52	253	184
Hamilton	1,052,281	1,036,824	966,435	9.52	120.54	72	196
Hampden	673,624	700,700	629,167	10.04	98.40	204	126

Table 6

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill	Rank in vehicle age
Hancock	96,444	100,832	110,290	10.07	115.66	93	120
Hanover	2,127,052	2,222,946	1,938,815	8.60	128.67	50	311
Hanson	1,191,937	1,169,154	1,121,807	10.01	96.32	219	133
Hardwick	281,751	267,678	296,347	10.84	85.05	297	57
Harvard	847,102	791,161	778,655	9.23	126.21	54	233
Harwich	1,814,774	1,905,979	1,707,292	10.04	99.79	199	127
Hatfield	448,259	477,648	433,757	10.08	95.22	230	116
Haverhill	5,810,347	5,716,708	5,348,202	9.94	100.30	194	136
Hawley	34,658	37,046	35,223	11.21	79.03	325	37
Heath	74,094	77,735	69,278	11.65	72.04	348	20
Hingham	3,237,637	3,102,239	3,180,405	8.47	144.71	26	326
Hinsdale	280,797	242,639	236,890	10.42	89.00	268	84
Holbrook	1,196,043	1,200,752	1,131,102	9.79	101.80	180	159
Holden	2,178,804	2,180,935	2,054,258	8.17	115.00	98	343
Holland	281,855	257,251	279,982	10.30	83.95	307	96
Holliston	1,802,484	2,020,046	1,789,437	8.67	121.07	70	297
Holyoke	2,219,708	2,332,733	2,158,709	12.49	79.67	324	12
Hopedale	883,150	801,820	734,380	8.93	113.97	105	273
Hopkinton	2,388,749	2,365,761	2,069,150	8.02	149.02	18	348
Hubbardston	551,345	529,939	509,573	9.82	94.00	239	155
Hudson	2,122,443	2,249,932	2,009,976	9.59	100.46	190	188
Hull	1,204,421	1,163,315	1,069,512	9.85	106.46	154	152
Huntington	219,438	290,109	208,852	11.63	75.47	339	21
Ipswich	1,796,434	1,993,180	1,633,615	9.07	111.59	123	251
Kingston	1,539,315	1,574,568	1,598,155	9.20	111.52	124	236
Lakeville	1,377,530	1,430,477	1,250,736	9.44	102.18	178	209
Lancaster	701,603	807,759	736,679	9.64	102.90	173	183
Lanesborough	420,591	372,438	377,504	10.21	96.49	217	105
Lawrence	3,244,878	3,170,776	2,990,120	13.18	74.96	342	3
Lee	681,172	692,769	639,055	9.69	93.08	243	176
Leicester	1,187,348	1,170,135	1,113,238	9.56	92.84	246	193
Lenox	677,708	677,369	659,121	9.59	116.66	87	189
Leominster	4,545,174	4,344,952	4,094,105	9.51	100.34	193	199
Leverett	227,609	231,941	193,255	10.58	87.13	282	70
Lexington	4,179,205	4,233,625	3,891,374	8.05	143.57	28	347
Leyden	79,885	84,779	70,349	9.71	83.07	314	172
Lincoln	985,262	954,190	824,332	8.98	148.57	19	268
Littleton	1,137,903	1,198,611	1,063,615	9.04	106.51	153	256
Longmeadow	2,318,992	2,296,723	2,078,194	8.65	140.84	30	303
Lowell	6,728,338	6,816,475	6,684,283	11.16	89.65	263	40
Ludlow	2,116,112	2,170,584	2,029,941	9.94	90.96	257	137
Lunenburg	1,251,592	1,166,165	1,332,648	9.79	95.54	223	160
Lynn	5,112,897	5,172,011	5,578,099	12.17	84.98	298	13
Lynnfield	1,967,215	1,982,493	2,084,551	8.25	165.49	4	338
Malden	4,198,721	4,167,412	3,680,776	10.08	101.17	183	117
Manchester	942,569	865,065	848,185	8.93	143.81	27	274
Mansfield	2,805,422	2,900,031	2,734,096	8.77	121.71	66	287
Marblehead	3,014,927	3,026,226	2,921,041	9.07	142.96	29	252
Marion	771,702	735,027	658,848	9.55	108.28	142	194
Marlborough	4,799,106	4,304,927	4,246,034	9.70	101.06	184	174
Marshfield	3,324,465	3,328,302	3,123,301	9.13	116.80	85	245
Mashpee	1,853,048	2,037,448	1,765,412	9.06	113.23	111	254
Mattapoisett	816,397	877,799	817,761	9.14	107.65	144	243
Maynard	1,154,294	1,047,631	1,265,408	9.12	107.62	145	246
Medfield	1,934,504	1,787,859	1,787,920	8.21	147.72	21	341
Medford	5,103,391	4,960,748	4,856,912	9.29	111.81	120	224
Medway	1,660,641	1,612,786	1,596,581	8.81	117.30	84	282
Melrose	2,846,648	2,645,780	2,744,148	8.78	118.99	81	286
Mendon	866,729	876,761	796,826	9.37	116.20	90	215
Merrimac	726,566	732,347	671,920	9.03	102.96	172	257

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill	Rank in vehicle age
Methuen	4,326,783	5,112,206	4,508,214	9.70	101.42	181	175
Middleborough	2,549,059	2,706,767	2,444,793	9.52	95.49	225	197
Middlefield	69,823	58,759	52,413	11.70	74.24	343	19
Middleton	1,205,958	1,258,891	1,278,960	8.73	137.36	33	290
Milford	3,176,401	3,391,073	2,967,659	9.44	104.03	166	210
Millbury	1,645,519	1,662,188	1,584,454	9.16	109.81	138	239
Millis	1,142,801	1,040,770	1,008,222	9.25	113.88	107	231
Millville	332,839	389,390	308,012	10.09	96.73	215	115
Milton	3,139,337	3,324,562	2,970,093	8.95	133.16	37	269
Monroe	10,519	11,207	11,825	12.05	106.93	152	14
Monson	932,580	970,120	955,884	10.84	86.61	290	58
Montague	690,721	711,979	622,330	11.17	70.61	349	39
Monterey	131,422	127,880	113,946	11.02	100.67	186	44
Montgomery	99,422	106,797	90,242	10.94	83.28	312	54
Mt. Washington	18,639	21,781	21,214	13.03	100.26	196	7
Nahant	481,093	519,983	473,937	9.50	124.60	59	202
Nantucket	2,074,726	2,512,510	2,099,570	14.05	110.86	131	2
Natick	4,461,799	4,113,124	3,937,055	8.71	124.96	57	294
Needham	4,301,123	4,300,194	4,124,378	7.82	151.98	13	350
New Ashford	33,697	27,219	30,256	9.29	111.49	125	225
New Bedford	6,015,472	6,100,969	5,824,562	10.75	80.50	322	62
New Braintree	119,592	118,383	105,290	11.74	82.08	315	18
New Marlborough	149,403	321,005	226,072	11.55	94.34	235	24
New Salem	111,734	107,195	107,561	10.22	76.53	334	103
Newbury	956,915	1,093,727	908,324	9.28	115.51	94	226
Newburyport	2,150,006	2,394,920	2,095,026	8.81	120.04	76	283
Newton	11,467,867	10,750,647	10,745,229	8.24	149.89	16	340
Norfolk	1,356,595	1,431,202	1,280,674	8.67	132.38	40	298
N. Adams	1,084,042	1,108,940	996,514	10.47	83.58	310	80
N. Andover	3,783,233	4,010,270	3,460,291	8.40	138.88	32	329
N. Attleborough	3,421,395	3,328,656	3,296,226	9.16	110.76	132	240
N. Brookfield	481,715	512,380	446,594	10.11	84.60	301	112
N. Reading	2,277,854	2,273,501	2,153,908	8.88	133.10	38	280
Northampton	2,247,537	2,331,043	2,094,240	10.29	86.65	289	97
Northborough	1,936,356	1,933,222	1,858,223	8.75	121.42	68	288
Northbridge	1,702,329	1,638,077	1,598,105	9.32	102.40	176	220
Northfield	332,728	359,348	315,613	10.08	84.06	305	118
Norton	2,294,922	2,130,163	1,973,889	9.16	110.32	133	241
Norwell	1,938,785	1,704,269	1,726,740	8.39	150.81	15	331
Norwood	3,928,022	3,698,894	3,646,313	8.74	124.90	58	289
Oak Bluffs	711,954	733,761	611,300	12.83	91.47	254	8
Oakham	238,006	275,594	241,718	9.90	95.86	222	142
Orange	692,236	654,606	621,260	11.09	73.74	345	43
Orleans	1,072,916	1,145,295	1,038,957	10.28	114.71	101	98
Otis	240,800	211,831	202,537	11.53	88.33	273	27
Oxford	1,866,059	1,657,460	1,634,107	9.14	100.44	191	244
Palmer	1,325,882	1,290,951	1,249,227	10.74	85.98	292	65
Paxton	606,775	616,009	571,176	8.65	121.27	69	304
Peabody	5,815,599	5,762,052	5,605,026	8.91	114.70	102	276
Pelham	138,724	128,127	122,564	9.76	77.88	328	162
Pembroke	2,155,180	2,177,758	2,004,435	9.26	106.01	156	228
Pepperell	1,355,167	1,324,669	1,261,781	9.79	97.86	209	161
Peru	89,114	91,615	88,656	10.73	83.75	308	66
Petersham	128,782	133,171	135,857	9.69	84.98	299	177
Phillipston	212,029	209,336	208,981	9.81	86.89	286	156
Pittsfield	4,136,593	4,404,904	3,880,458	9.74	96.08	220	168
Plainfield	72,278	55,282	64,239	10.99	78.44	326	49
Plainville	1,014,287	1,155,542	996,491	8.81	107.53	146	284
Plymouth	7,221,066	6,699,646	6,180,500	9.07	112.92	114	253
Plympton	331,178	433,223	373,225	10.21	98.25	205	106

Table 6

Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill	Rank in vehicle age
Princeton	565,728	472,929	543,563	9.39	110.93	130	214
Provincetown	457,818	524,372	469,715	11.60	111.76	122	22
Quincy	8,479,909	8,061,727	7,592,699	9.26	113.15	113	229
Randolph	3,325,703	3,206,016	2,929,849	9.74	104.79	161	169
Raynham	1,808,462	1,943,777	1,777,603	8.73	116.80	86	291
Reading	2,937,456	2,835,294	2,756,670	8.10	125.89	56	346
Rehoboth	1,626,359	1,629,030	1,516,407	10.25	107.28	147	100
Revere	4,161,309	4,999,906	4,482,221	10.05	128.82	49	124
Richmond	216,905	234,440	253,200	9.58	116.21	89	190
Rochester	741,548	737,781	635,174	10.12	96.38	218	110
Rockland	1,827,957	1,858,124	1,620,871	9.81	96.83	214	157
Rockport	933,141	831,183	822,540	9.73	105.36	158	171
Rowe	43,539	45,757	44,284	11.82	87.54	278	17
Rowley	835,464	855,234	791,400	9.52	110.00	136	198
Royalston	139,708	135,738	128,754	10.51	72.82	346	76
Russell	177,357	161,716	151,350	11.55	84.21	304	25
Rutland	981,599	985,668	890,842	8.50	108.55	141	323
Salem	3,485,883	3,540,267	3,179,235	10.19	100.42	192	108
Salisbury	987,535	1,016,381	948,374	10.45	96.61	216	81
Sandisfield	117,333	95,003	62,561	11.01	85.25	296	45
Sandwich	3,014,714	2,799,525	2,594,288	9.05	113.69	108	255
Saugus	3,235,042	3,320,470	3,103,966	9.03	119.86	78	258
Savoy	87,869	93,189	87,722	9.50	83.55	311	203
Scituate	2,370,414	2,588,879	2,298,769	8.94	121.76	65	271
Seekonk	1,905,550	2,048,599	1,707,681	9.89	111.49	126	145
Sharon	2,556,712	2,673,656	2,433,075	7.71	145.36	25	351
Sheffield	501,814	486,993	408,125	11.60	89.49	266	23
Shelburne	211,124	219,047	182,346	10.63	81.20	317	69
Sherborn	736,899	761,141	707,271	9.00	159.23	7	264
Shirley	634,822	625,665	593,489	9.94	95.28	229	138
Shrewsbury	4,680,209	4,688,251	4,411,325	8.30	129.10	48	336
Shutesbury	174,420	157,190	164,617	10.02	75.57	338	131
Somerset	1,964,332	1,930,089	1,773,251	9.26	94.14	237	230
Somerville	4,702,207	4,603,617	4,508,441	10.33	95.13	231	92
S. Hadley	1,686,858	1,776,572	1,547,096	9.49	95.48	226	204
Southampton	736,595	697,035	669,385	9.88	91.87	249	146
Southborough	1,792,140	1,918,873	1,758,885	7.98	162.77	6	349
Southbridge	1,425,222	1,433,494	1,320,884	10.53	88.41	272	74
Southwick	1,164,485	1,173,170	1,154,224	10.99	97.32	212	50
Spencer	1,360,966	1,360,619	1,237,089	9.87	94.02	238	149
Springfield	9,206,553	9,211,096	8,635,626	13.04	81.02	318	6
Sterling	1,173,243	1,156,191	1,039,928	8.67	113.52	109	299
Stockbridge	295,580	275,215	257,351	10.97	103.28	169	51
Stoneham	2,758,279	2,727,713	2,529,812	8.66	121.83	64	301
Stoughton	3,444,571	3,539,202	3,159,522	9.00	111.15	129	265
Stow	887,590	861,578	793,906	9.02	113.97	106	260
Sturbridge	1,229,326	1,228,115	1,189,360	8.56	112.92	115	315
Sudbury	2,789,222	2,965,914	2,589,563	8.19	165.28	5	342
Sunderland	347,975	344,318	316,971	10.22	85.67	295	104
Sutton	1,397,243	1,414,159	1,228,395	8.67	114.75	100	300
Swampscott	1,937,737	1,977,981	1,987,561	8.65	146.31	23	305
Swansea	1,799,192	1,967,712	1,683,731	9.90	91.65	252	143
Taunton	5,655,122	5,722,985	5,126,311	9.88	93.02	244	147
Templeton	878,356	849,423	784,909	9.40	88.86	269	213
Tewksbury	3,899,761	3,813,216	3,594,399	8.65	114.52	103	306
Tisbury	677,165	667,729	524,776	12.64	100.64	187	10
Tolland	48,497	50,664	56,810	11.43	87.41	279	28
Topsfield	850,317	1,038,285	851,685	8.90	132.03	42	277
Townsend	1,076,112	1,053,162	941,190	9.75	89.37	267	165
Truro	326,619	251,807	470,451	11.42	109.92	137	29

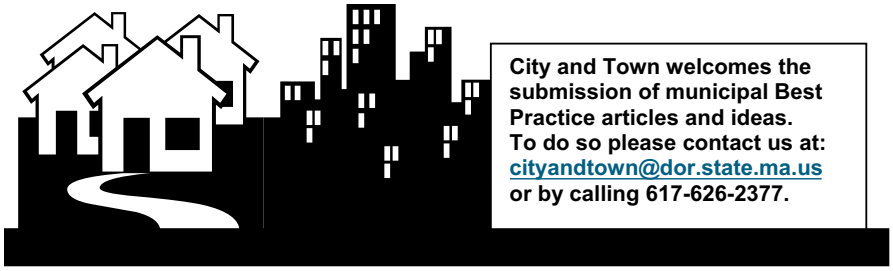
Municipality	FY05 actual	FY06 actual	FY07 actual	CY2007 avg. vehicle age	Avg. bill	Rank in avg. bill	Rank in vehicle age
Tyngsborough	1,536,944	1,547,073	1,427,889	9.37	112.73	116	216
Tyringham	63,480	54,140	48,669	8.94	84.31	302	272
Upton	959,398	962,964	908,573	9.03	114.47	104	259
Uxbridge	1,599,509	1,749,611	1,543,024	9.37	103.03	171	217
Wakefield	3,251,488	3,107,655	3,053,104	8.69	122.39	63	295
Wales	213,923	209,389	185,116	11.23	76.14	336	35
Walpole	3,217,105	3,441,207	3,252,093	8.49	132.34	41	325
Waltham	6,117,029	5,950,314	5,579,362	9.41	112.67	117	212
Ware	924,960	933,893	868,418	10.96	80.31	323	53
Wareham	2,552,548	2,472,970	2,231,887	10.28	87.98	275	99
Warren	448,850	496,036	440,413	10.97	77.82	329	52
Warwick	70,390	78,938	78,211	10.11	75.61	337	113
Washington	81,013	88,344	76,727	10.51	94.52	234	77
Watertown	3,429,259	3,286,194	3,019,158	9.02	119.85	79	261
Wayland	2,095,897	2,160,976	1,993,537	8.39	149.59	17	332
Webster	1,742,892	1,792,750	1,668,974	10.25	95.43	227	101
Wellesley	3,982,884	4,278,251	4,061,254	8.36	180.11	3	334
Wellfleet	424,934	431,171	387,761	11.00	91.45	256	47
Wendell	78,829	74,502	71,140	10.02	60.87	351	132
Wenham	556,727	593,356	535,781	9.48	137.16	34	206
W. Boylston	975,417	965,344	919,476	8.56	112.61	118	316
W. Bridgewater	1,030,836	1,126,925	1,043,582	9.85	105.44	157	153
W. Brookfield	453,100	425,146	385,112	9.74	88.31	274	170
W. Newbury	627,744	586,805	582,688	9.21	118.71	82	235
W. Springfield	3,017,283	2,921,387	2,825,034	10.31	102.21	177	95
W. Stockbridge	201,667	196,035	206,471	9.71	110.29	134	173
W. Tisbury	404,538	438,909	459,376	12.61	96.91	213	11
Westborough	2,645,380	2,848,742	2,477,899	8.40	132.60	39	330
Westfield	4,012,668	4,118,461	3,770,771	10.25	97.33	211	102
Westford	2,980,020	3,007,169	2,726,977	8.45	123.76	61	327
Westhampton	193,937	199,798	186,701	9.65	91.83	250	181
Westminster	978,139	1,029,347	956,495	9.48	104.01	167	207
Weston	2,231,627	2,424,150	2,295,515	8.27	207.85	1	337
Westport	2,039,668	2,090,594	1,817,258	10.03	93.19	242	128
Westwood	2,309,888	2,298,851	2,135,755	8.12	154.77	9	345
Weymouth	5,738,105	6,211,163	5,611,707	9.51	104.27	163	200
Whately	176,243	203,957	182,707	11.19	86.30	291	38
Whitman	1,403,426	1,750,880	1,485,376	9.58	97.94	207	191
Wilbraham	1,978,273	1,922,323	1,821,479	9.19	115.83	92	238
Williamsburg	278,682	252,175	240,738	10.07	88.48	271	121
Williamstown	703,232	703,387	649,729	9.58	110.15	135	192
Wilmington	3,267,622	3,226,536	3,028,490	8.57	120.62	71	314
Winchendon	940,990	942,629	913,576	10.07	84.05	306	122
Winchester	2,997,549	3,078,917	2,893,394	8.58	150.87	14	313
Windsor	124,383	131,142	106,459	10.84	89.55	265	59
Winthrop	1,720,383	1,827,763	1,623,025	9.53	131.29	45	195
Woburn	5,186,842	5,026,086	4,733,951	9.32	114.81	99	221
Worcester	13,163,913	12,397,989	12,313,675	10.35	95.52	224	89
Worthington	156,809	161,634	151,975	10.03	85.68	294	129
Wrentham	1,660,927	1,424,954	1,422,701	8.99	120.13	74	267
Yarmouth	3,161,770	2,912,241	2,864,554	9.95	99.29	201	134
State total	**683,167,505**	**694,263,637**	**636,891,004**	**9.83**	**102.06**		

Table 6

Personal Property Discovery and UCC continued from page 2

Since **Worcester** is a quarterly billing community, we created all of our newly discovered accounts such that they would receive preliminary tax bills. Preliminary billing can be used as a tool to sort out any accounts that are either overvalued, closed, out of business or are not the actual owners of the UCC assets. If an asset does not belong to the individual issued a preliminary bill then that taxpayer need not file an abatement since the tax bill was only preliminary. Instead the city would send a corrected bill. This allows the city to effectively issue a notice and to the taxpayer that we believe they have unreported personal property without creating a situation in which the city might have to pay out overlay funds for an abatement.

In fiscal year 2009, our first year using the UCC database to assist our work [of Worcester found over $30,000,000 in new personal property assets through the use of the UCC website, realizing approximately $786,000 in new tax base growth. The UCC search has become an integral part of our personal property assessment process. We pull the data once in July and once in January to split the work into two manageable functions. I would certainly recommend that all assessing departments utilize this very effective tool. ■



City and Town welcomes the submission of municipal Best Practice articles and ideas. To do so please contact us at: cityandtown@dor.state.ma.us or by calling 617-626-2377.

Library Trust Funds continued from page 3

buildings that are eligible for listing on the State Register of Historic Places or determined by the local historic preservation committee to be significant in the history, archaeology, architecture, or culture of the municipality. If the town owned library meets that definition of historic resource, then the community could expend CPA money to preserve, rehabilitate or restore the building.

Finally, with regard to the investment of funds granted in trust to a community, the general rule is that municipal trust funds must be invested in the limited types of financial instruments set forth in M.G.L. Ch. 44 Sec. 54, unless the donor authorized or directed other types of investments. If an individual gave money in trust to a free public library which is not a city or town department, however, then the investment of such funds would be governed by the general principles of trust law, such as M.G.L. Ch. 180A, and not by M.G.L. Ch. 44 Sec. 54. ■

Mark Your Calendars

The **New Officials Finance Forum** will be held on Thursday, June 11, 2009 in **Worcester** at the College of the Holy Cross. The Bulletin announcing this training will be issued mid to late April.

Assessment Administration: Law, Procedures and Valuations (Course 101) will be held in August at the University of Massachusetts, **Amherst**. This course is offered through The Massachusetts Association of Assessing Officers (MAAO). Please visit their website for more information: www.maao.org.

The location and dates for the Fall 2009 Course 101 have not been established. The proposed region is Middlesex County. The dates and location will be finalized in mid June.

"What's New in Municipal Law" will be held on Friday, September 25, 2009 at the Log Cabin Banquet and Meeting House in **Holyoke** and Friday, October 2, 2009 at the Lantana in **Randolph**. The Bulletin announcing this training opportunity will be issued in July. If you have any questions regarding the above information, please contact Donna Quinn, training coordinator, at 617-626-3838 or quinnd@dor.state.ma.us.

Statewide Training and Resources (STAR) Expo. This annual exposition, sponsored by the Operational Services Division, will be held at the Boston Convention & Exhibition Center on May 21, 2009. The Division of Local Services will be conducting a workshop, *Centralizing Municipal Contact Information for Everyone with the Division of Local Services (DLS) Local Officials Directory*, at this event. Pre-registration for the expo as well as any workshop is required. For more information, visit the STAR website, www.mass.gov/STAR. ■

New Impacts on Audits for Local Governments continued from page 1

SAS 112 defines internal control as a "process — effected by those charged with governance, management, and other personnel — designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations." In the government environment the last few words are especially important. "Compliance with applicable laws and regulations" includes the process designed to ensure that applicable state laws and regulations concerning the expenditure of funds are followed. In short, a system of internal control should be designed and implemented to safeguard assets, provide timely accurate financial reporting and ensure adherence to laws and regulations.

A "control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis." These deficiencies can be either deficiencies in design or deficiencies in operation. A deficiency in design means a control does not exist or is not properly developed to detect errors. A deficiency in operation means a control exists, but it is not being properly performed. This could be due to the fact that the person performing the control does not have the authority, qualifications, or is not properly performing the controls and management is not detecting these problems in a timely manner.

"A significant deficiency is a control deficiency or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected." This is a low threshold, and the Audit Standard Board will be amending the definition very soon.

"A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected."

What are the consequences of a material weakness? Reporting errors in financial statements can lead to mistakes in decision-making. Errors can leave an organization open to loss of assets, such as cash. External agencies, such as bond-rating agencies, grantor agencies and lending institutions may lose confidence in the community to meet its obligations; and loss of voter confidence.

What can be done about material weaknesses? First, management must take material weaknesses seriously. Management can almost always address material weaknesses without significant additional resources. Usually, a reassignment of duties can address the deficiency. Management should know and continually evaluate the control environment which processes financial transactions. Staffing is very important. Management should ensure that the financial staff have the qualifications to perform their functions.

In summary, SAS 112 brings a new transparency to the audit process and reporting on the control environment. Management should take this opportunity to review systems and ensure their ability to accurately report financial activity and safeguard assets. ■

Editor's note: Statement on Auditing Standards (SAS) 115 changes the terminology of the standards to conform with the language of standards issued by the Public Companies Audit Oversight Board. This standard would be required for all audits in Massachusetts, commencing with fiscal year 2011. However, Generally Accepted Government Auditing Standards (which auditors are required to follow for the audit of governments) have not been revised to conform with SAS 115. Therefore, auditors are required to comply with SAS 112 for fiscal years 2009 and 2010.

Municipal Fiscal Calendar

April 1

Collector: Mail 2nd Half Semi-Annual Tax Bills. In communities using a regular semi-annual payment system, the 2nd half actual tax bill, or the actual tax if an optional preliminary bill was issued, should be mailed by this date.

Taxpayer: Deadline for Payment of Semi-Annual Bill without Interest. According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for receipt of the actual tax payment in communities using the annual preliminary tax billing system on a semiannual basis, unless the bills were mailed after December 31. If mailed after December 31, payment is due May 1, or 30 days after the bills were mailed, whichever is later.

May 1

Taxpayer: Deadline for Payment of Semi-Annual and 4th Quarterly Tax Bill Without Interest. According to M.G.L. Ch. 59, Sec. 57, this is the deadline for receipt of the 2nd half actual tax payment, or the actual tax payment if an optional preliminary bill was issued. According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for the 4th Quarter tax payment.

Treasurer: Deadline for Payment of 2nd Half of County Tax.

Accountant/Treasurer: Notification of Amount of Debt Due in Next Fiscal Year. As required by M.G.L. Ch. 44, Sec. 28, the Accountant or Treasurer must notify the Assessors of all debt due in the next fiscal year because the municipality is required to pay its debts, appropriated or not. Since all debt service must be paid, any debt service not covered by appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax rate lower than required and raising insufficient revenue to cover the municipality's expenditures.

June 1

Clerk: Certification of Appropriations. This is done after City/Town Council or Town Meeting so the Accountant may set up accounts for each department in the municipality.

Assessors: Determine Valuation of Other Municipal or District Land. In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year, for in-lieu-of-tax payments.

DOR/BLA: Notification of SOL Valuations.

June 10

DOR/BLA: Public Hearing on Proposed SOL Valuations.

June 15

DOR Commissioner: Determines and Certifies Pipeline Valuations.

Assessors: Deadline for Appealing Commissioner's Telephone & Telegraph Valuations.

Assessors: Make Annual Preliminary Tax Commitment. The preliminary tax commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50% of that amount. This should be done early enough for the annual preliminary quarterly or semi-annual bills to be mailed by July 1.

June 20

Assessors: Final Date to Make Omitted or Revised Assessments. As required by M.G.L. Ch. 59, Sections 75 and 76, if a property is inadvertently excluded or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later.

June 30

State Treasurer: Notification of Quarterly Local Aid Payments Before June 30.

Assessors: Overlay Surplus Closes to Surplus Revenue. Each year, any balance in the overlay reserve accounts in excess of the remaining amount of the warrant to be collected or abated in that year, is certified by the Assessors. The transfer from overlay reserves to the overlay surplus is done on the Assessors' initiative or within 10 days of a written request by the chief executive officer. Once in overlay surplus, these funds may be appropriated for any lawful purpose. Any balance in the overlay surplus at the end of the fiscal year shall be closed to surplus revenue and, eventually, free cash.

Assessors: Physical Inventory of all Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a).

Assessors: Submit Annual Report of Omitted or Revised Assessments.

Assessors: Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of Ch. 59, Sec. 5. If an exemption is granted to a residential property owner, the property tax is lowered, and the city or town collects fewer tax revenues than anticipated. These exemptions are partially reimbursed by the state as indicated under "Payments for Loss of Taxes," section B of the Cherry Sheet. It is the responsibility of the Assessors to submit all exemptions to DOR so that the community may be reimbursed for statutory exemptions. If the Assessors fail to submit a request, the town's loss of tax revenues will not be offset by exemption reimbursements from the state. These reimbursements may not be filed retroactively for any year.

If tax bills are mailed late, assessors may submit requests for reimbursement until August 20. ■

Please remember to update the online Local Officials Directory so that both municipal and state officials have accurate contact information.

City & Town
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S.J. Port, Editor

Marilyn Browne, Editor Emeritus

Editorial Board:
Robert Nunes, Robert Bliss, Zachary Blake and Amy Januskiewicz

To obtain information or publications, contact the Division of Local Services via:
• website: www.mass.gov/dls
• e-mail: cityandtown@dor.state.ma.us
• telephone: 617-626-2377
• mail: PO Box 9569, Boston, MA 02114-9569