

City and Town

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



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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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Please consider the environment before printing this newsletter.





**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
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 con-

ditions 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 “re-modeling, 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.

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.

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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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 **Cumington** (\$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). ■

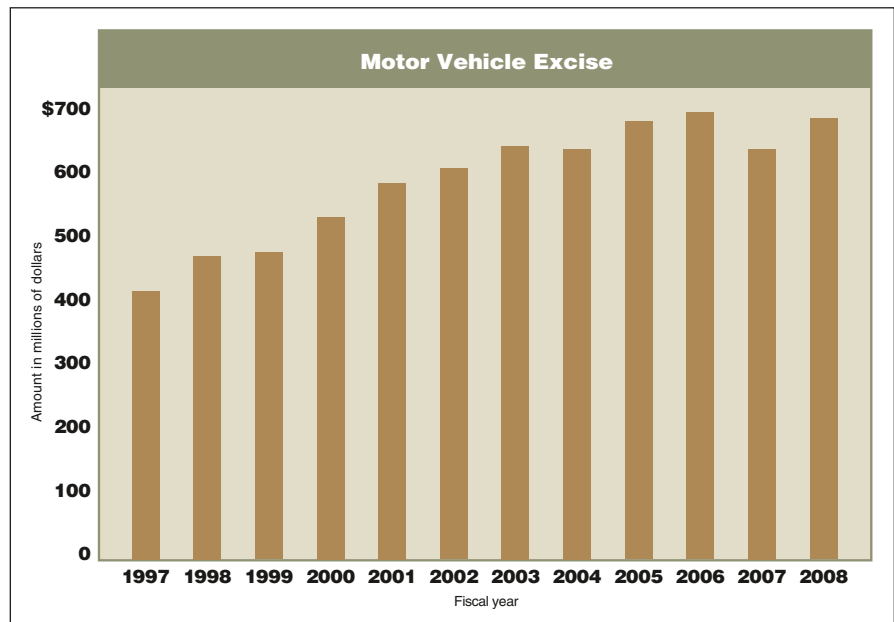


Figure 1

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
Cumington	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	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	Chesterfield	146,897	126,948	126,684	10.79	76.98	332	61
Acton	3,151,571	2,805,457	2,690,323	8.49	129.26	47	324	Chicopee	1,197,416	1,139,353	4,635,488	10.74	87.04	283	63
Acushnet	1,178,968	1,137,817	1,059,520	9.83	86.95	285	154	Chilmark	197,416	172,060	202,647	13.06	100.28	193	5
Adams	787,159	871,865	685,639	9.75	87.30	280	163	Clarksburg	165,969	175,120	197,560	9.24	86.84	287	232
Agawam	3,515,538	3,343,992	3,265,346	9.66	102.61	174	178	Clinton	1,292,107	1,411,475	1,286,443	9.66	95.00	233	179
Afford	81,610	94,604	67,747	10.42	111.15	128	83	Cohasset	1,283,958	1,219,177	1,237,101	8.89	152.67	11	278
Amherst	1,705,090	1,736,714	1,719,693	9.75	99.40	200	164	Colrain	166,554	163,403	163,226	11.33	72.54	347	32
Amherst	1,474,547	1,516,654	1,438,646	10.32	87.91	276	93	Concord	2,415,450	2,458,012	2,279,324	8.50	146.04	24	321
Andover	4,666,645	5,000,633	4,563,040	8.16	152.64	12	344	Conway	209,760	232,488	224,259	9.35	90.33	261	218
Aquinnah	37,217	34,338	36,899	14.29	75.35	340	1	Cummington	98,545	90,264	85,664	10.91	74.96	341	55
Arlington	4,196,714	4,110,106	4,021,994	8.71	115.28	96	293	Dalton	801,676	769,880	717,596	9.10	97.91	208	249
Ashtaburham	729,870	740,207	648,208	9.74	93.01	245	166	Danvers	3,693,096	3,445,219	3,640,840	8.50	126.54	52	322
Ashby	362,849	368,328	343,048	10.34	85.77	293	90	Dartmouth	3,679,226	3,693,291	3,347,697	9.41	102.60	175	211
Ashfield	179,480	175,590	166,192	10.39	76.22	335	86	Deerfield	2,909,495	2,851,973	2,648,435	9.10	119.97	77	250
Ashland	2,185,622	2,146,959	2,037,891	8.80	120.15	73	285	Dennis	651,354	641,256	607,617	9.91	99.93	198	141
Athol	932,034	1,075,095	1,007,386	10.35	80.64	320	87	Dighton	2,424,617	2,114,689	1,861,457	10.41	102.12	179	85
Attleboro	4,291,583	4,367,710	4,361,513	10.11	97.42	210	111	Douglas	802,317	806,751	734,474	9.94	95.07	232	135
Auburn	2,513,461	2,678,352	2,196,487	8.54	120.04	75	318	Dover	975,845	1,066,205	986,577	9.60	99.11	202	186
Avon	685,397	830,886	702,872	9.93	113.16	112	139	Draft	1,153,757	1,252,375	1,112,783	8.89	187.16	2	279
Ayer	746,297	800,786	737,205	12.66	98.62	203	9	Dudley	3,574,875	3,552,641	3,404,061	9.31	104.13	165	222
Barnstable	6,386,338	6,163,819	6,564,930	10.35	107.25	148	88	Dunstable	1,261,662	1,306,286	1,146,378	9.00	100.57	188	263
Barre	593,107	584,209	569,595	10.32	84.62	300	94	Duxbury	455,068	446,826	411,086	9.29	111.79	121	223
Becket	218,978	227,932	222,604	11.38	89.59	264	30	Duxbury	2,510,894	2,265,230	2,265,230	8.55	140.50	31	317
Bedford	1,623,299	1,589,210	1,573,334	9.10	126.27	53	248	E. Bridgewater	1,355,610	1,649,497	1,412,469	9.79	94.26	236	158
Belchertown	1,541,698	1,559,306	1,462,439	10.04	90.65	259	125	E. Brookfield	282,121	313,369	261,989	8.85	95.98	221	281
Bellingham	2,019,624	1,987,634	1,948,902	9.32	107.23	149	318	E. Longmeadow	1,924,912	1,911,286	1,817,065	10.49	109.36	139	237
Belmont	2,507,652	2,877,589	2,573,892	8.62	131.85	43	209	Eastham	762,832	760,272	727,700	10.49	95.35	228	78
Berkley	783,905	757,785	663,203	9.45	93.33	241	208	Easthampton	1,478,746	1,429,971	1,429,971	9.87	84.28	303	148
Berlin	384,475	374,468	339,969	10.82	103.82	168	60	Easton	3,027,053	3,095,979	2,771,420	8.72	125.99	55	292
Bernardston	263,325	276,266	339,325	9.86	79.92	309	150	Edgartown	798,923	970,580	726,215	13.08	100.70	185	4
Beverly	4,093,728	4,574,980	3,936,807	9.48	111.20	127	205	Egremont	210,908	206,544	181,375	10.99	109.02	140	48
Billerica	5,111,443	5,190,388	5,135,950	9.15	119.20	119	242	Erving	145,131	149,699	134,009	11.13	73.97	344	41
Blackstone	1,024,458	1,007,301	892,349	10.16	92.31	247	109	Essex	496,980	558,688	480,872	10.05	106.06	155	123
Blandford	193,607	124,920	162,124	11.26	90.62	260	34	Everett	2,690,678	3,030,910	3,030,910	10.49	103.27	170	79
Bolton	788,994	775,880	709,583	8.59	133.48	36	312	Fairhaven	1,572,210	1,720,989	1,544,778	9.85	88.81	270	151
Boston	44,769,537	50,177,382	34,500,196	10.43	135.08	35	82	Fall River	6,632,822	6,118,688	6,033,577	10.71	82.02	316	67
Bourne	2,375,515	2,496,559	2,281,830	9.64	106.99	151	182	Falmouth	5,007,946	4,001,278	4,269,746	9.89	104.84	160	144
Boxborough	686,168	659,727	607,787	8.37	115.33	95	333	Fitchburg	3,082,766	3,165,362	2,968,099	10.74	87.19	281	64
Boxford	1,473,343	1,526,173	1,399,843	8.52	157.90	8	320	Florida	66,843	66,684	84,348	11.34	76.79	333	31
Boylston	745,816	683,051	663,505	8.32	126.65	51	335	Foxborough	2,378,800	2,327,507	2,259,818	8.68	123.90	60	296
Braintree	4,664,382	4,546,406	4,196,097	8.62	122.89	62	309	Frammingham	7,272,419	7,312,982	6,518,172	9.65	107.16	150	180
Brewster	1,357,661	1,307,733	1,218,700	10.07	98.00	206	119	Franklin	4,073,300	4,270,203	4,255,876	8.42	131.47	44	328
Bridgewater	2,877,253	2,754,313	2,585,577	8.94	115.18	97	270	Freeport	1,226,711	1,471,991	1,306,255	9.74	101.20	182	167
Brimfield	423,801	465,381	422,410	10.19	91.98	248	107	Gardner	1,798,491	1,767,482	1,698,560	9.59	91.46	255	187
Brockton	6,325,121	6,747,989	5,901,130	11.27	87.66	277	135	Georgetown	1,114,922	1,159,888	1,142,845	9.26	118.99	80	227
Brookfield	369,020	427,558	342,947	9.61	87.02	284	183	Gill	189,662	199,720	157,010	10.52	77.42	330	75
Brookline	5,314,315	5,456,912	4,691,252	8.65	154.37	10	302	Gloucester	3,116,383	2,911,120	2,911,120	10.02	100.52	189	130
Buckland	174,550	172,077	157,382	10.57	67.08	350	71	Goshen	108,778	118,998	103,227	11.00	80.83	319	46
Burlington	2,871,027	3,127,822	2,822,104	8.54	121.55	67	319	Grafton	3,454	5,069	4,861	11.21	91.72	251	36
Cambridge	6,296,905	5,876,446	5,688,557	9.93	116.03	91	189	Grafton	1,921,387	2,182,770	2,088,642	8.64	118.65	83	307
Canton	3,222,639	3,438,269	3,364,215	8.24	147.71	22	139	Granby	708,718	729,201	625,791	10.54	83.12	313	72
Carlisle	817,279	824,381	849,392	8.92	147.95	20	275	Granville	163,847	177,744	210,241	11.89	86.73	288	16
Carver	1,281,465	1,306,936	1,118,530	9.50	93.99	240	201	Grt. Barrington	882,612	832,912	761,572	10.53	100.01	197	73
Charenton	133,028	124,367	119,253	11.54	77.18	331	26	Greenfield	800,042	1,507,242	1,298,207	10.67	80.58	321	68
Charlton	1,591,891	1,838,814	1,583,292	9.00	104.15	164	262	Groton	1,335,878	1,377,205	1,300,645	9.11	116.36	88	247
Chatham	1,141,208	1,118,515	1,022,660	10.89	108.24	143	56	Groveland	846,896	794,955	752,837	8.99	104.88	159	266
Chelmsford	3,948,418	4,781,801	4,173,753	8.82	113.42	110	310	Hedley	582,731	613,577	550,637	10.33	89.68	262	91
Chelsea	2,766,554	2,593,947	2,141,510	11.11	130.50	46	42	Holliston	870,856	836,882	836,882	9.63	91.52	272	184
Cheshire	413,014	431,022	419,063	10.09	90.94	258	114	Hamilton	1,052,281	1,036,824	986,435	9.52	120.54	75	196
Chester	137,439	113,330	137,843	12.00	78.10	327	15	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	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	Methuen	4,508,214	5,112,206	4,508,214	9.70	101.42	181	175
Hanover	2,127,062	2,222,946	1,938,815	8.60	128.67	50	311	Middleborough	2,549,059	2,706,767	2,444,793	9.52	95.49	225	197
Hanson	1,151,937	1,169,154	1,121,807	10.01	96.32	219	133	Middlefield	69,823	58,759	52,413	11.70	74.24	343	19
Harwick	281,751	267,678	296,347	10.84	85.05	297	57	Middleton	1,205,958	1,258,891	1,278,960	8.73	137.36	33	290
Harvard	847,102	791,161	778,655	9.23	126.21	54	233	Milford	3,176,401	3,391,073	2,967,659	9.44	104.03	166	210
Harwich	1,814,774	1,905,979	1,707,292	10.04	99.79	199	127	Milbury	1,645,519	1,662,188	1,584,454	9.16	109.81	138	239
Haverhill	448,259	477,648	433,757	10.08	95.22	230	116	Millis	1,142,801	1,040,770	1,008,222	9.25	113.88	107	231
Haverhill	5,810,347	5,716,708	5,348,202	9.94	100.30	194	136	Milwille	332,839	389,390	308,012	10.09	96.73	215	115
Hawley	34,658	37,346	35,223	11.21	79.03	325	37	Milton	3,139,337	3,324,562	2,970,093	8.95	133.16	37	269
Heath	74,094	77,735	69,278	11.65	72.04	348	20	Monroe	10,519	11,207	11,825	12.05	106.93	152	14
Hingham	3,237,637	3,102,239	3,180,405	8.47	144.71	26	326	Monson	932,980	970,120	955,884	10.84	86.61	290	58
Hinsdale	280,797	242,639	236,890	10.42	89.00	268	84	Montague	690,721	711,979	622,330	11.17	70.67	349	39
Holbrook	1,196,043	1,200,752	1,131,102	9.79	101.80	107	159	Monterey	131,422	127,880	113,946	11.02	100.61	186	44
Holden	2,178,804	2,180,935	2,054,258	8.17	115.00	98	343	Montgomery	99,422	106,797	90,242	10.94	83.28	312	54
Holland	281,855	257,251	279,982	10.30	83.95	307	96	Mt. Washington	18,639	21,781	21,214	13.03	100.26	196	7
Holliston	1,802,484	2,020,046	1,789,437	8.67	121.07	70	297	Nahant	481,093	519,983	473,937	9.50	124.60	59	202
Holyoke	2,219,708	2,332,733	2,158,709	12.49	79.67	324	12	Nantucket	2,074,726	2,512,510	2,099,570	14.05	110.86	131	2
Hopedale	883,150	801,820	734,380	8.93	113.97	105	273	Natick	4,461,799	4,113,124	3,937,055	8.71	124.96	57	294
Hopkinton	2,985,749	2,365,761	2,069,150	8.02	149.02	18	348	Needham	4,301,123	4,300,194	4,124,378	7.82	151.98	13	350
Hubbardston	551,345	529,939	509,573	9.92	94.00	239	155	New Ashford	33,697	27,219	30,256	9.29	111.49	125	225
Hudson	2,122,443	2,249,932	2,009,976	9.59	100.46	190	188	New Bedford	6,015,472	6,100,969	5,824,562	10.75	80.50	322	62
Hull	1,204,421	1,163,315	1,069,512	9.85	106.46	154	152	New Braintree	119,592	118,383	105,290	11.74	82.08	315	18
Huntington	219,438	290,109	208,852	11.63	75.47	339	21	New Marlborough	149,403	321,005	226,072	11.55	94.34	235	24
Ipswich	1,736,434	1,993,180	1,633,615	9.07	111.59	123	251	New Salem	117,734	107,195	107,561	10.22	76.53	334	103
Kingston	1,539,315	1,574,568	1,598,155	9.20	111.52	124	236	Newbury	956,915	1,093,727	908,324	9.28	115.51	94	226
Lakeville	1,377,530	1,430,477	1,250,736	9.44	102.18	178	209	Newburyport	2,150,006	2,394,920	2,095,026	8.81	110.76	132	240
Lancaster	701,603	807,759	736,679	9.64	102.90	173	183	Newton	11,467,867	10,750,647	10,745,229	8.24	149.89	16	340
Lanesborough	420,591	372,438	377,504	10.21	96.49	217	105	Norfolk	1,356,595	1,431,202	1,280,674	8.67	132.38	40	298
Lawrence	3,244,878	3,170,776	2,990,120	13.18	74.96	342	3	Norfolk	1,084,042	1,108,940	986,514	10.47	83.58	310	80
Lee	681,172	692,769	639,055	9.69	93.08	243	176	N. Adams	3,763,233	4,010,270	3,460,291	8.40	138.88	32	329
Leicester	1,187,348	1,170,135	1,113,238	9.56	92.84	246	193	N. Andover	3,421,395	3,328,656	3,296,226	8.16	110.76	132	240
Lenox	677,369	677,369	659,121	9.59	116.66	87	189	N. Attleborough	481,715	512,380	446,594	10.11	84.60	301	112
Leominster	4,545,174	4,344,952	4,094,105	9.51	100.34	193	190	N. Brookfield	2,272,854	2,153,908	2,030,908	8.88	133.10	38	280
Leverett	227,609	231,941	193,255	10.58	87.13	282	279	N. Reading	2,247,537	2,331,043	2,094,240	10.29	86.65	289	97
Lexington	4,179,205	4,233,625	3,891,374	8.05	143.57	28	347	Northampton	1,936,356	1,933,222	1,858,223	8.75	121.42	68	288
Leyden	79,885	84,779	70,349	9.71	83.07	314	172	Northborough	1,702,329	1,638,077	1,598,105	9.32	102.40	176	220
Lincoln	985,262	954,190	824,332	8.98	148.57	19	268	Northbridge	332,728	359,348	315,613	10.08	84.06	305	118
Littleton	1,137,903	1,198,611	1,063,615	9.04	106.51	153	256	Northfield	2,294,922	2,130,163	1,973,889	9.16	110.32	133	241
Longmeadow	2,318,992	2,296,723	2,078,194	8.65	140.84	30	303	Norton	1,938,785	1,704,269	1,726,740	8.39	150.81	15	331
Lowell	6,728,338	6,816,475	6,684,283	11.16	89.65	263	40	Norwell	3,928,022	3,698,894	3,646,313	8.74	124.90	58	289
Ludlow	2,116,112	2,170,584	2,029,941	9.94	90.96	257	137	Norwood	711,954	733,761	611,300	12.83	91.47	254	8
Lunenburg	1,251,592	1,166,165	1,332,648	9.79	95.54	223	160	Oak Bluffs	238,006	275,594	241,718	9.90	95.86	222	142
Lynn	5,112,897	5,172,011	5,578,099	12.17	84.98	298	13	Oakham	692,236	654,606	621,260	11.09	73.74	345	43
Lynnfield	1,967,215	1,982,493	2,084,551	8.25	165.49	4	338	Orange	1,072,916	1,145,295	1,068,957	10.28	114.71	101	98
Malden	4,136,721	4,167,412	3,680,776	10.08	101.17	183	117	Orleans	240,900	211,831	202,537	11.53	88.33	273	27
Manchester	942,569	865,065	848,185	8.93	143.81	27	274	Oxford	1,866,059	1,657,460	1,634,107	9.14	100.44	191	244
Mansfield	2,805,422	2,900,031	2,734,096	8.77	121.71	66	287	Palmer	1,325,882	1,290,951	1,249,227	10.74	85.98	292	65
Marlborough	3,014,927	3,026,226	2,921,041	9.07	142.96	29	252	Paxton	606,775	616,009	571,176	8.65	121.27	69	304
Marion	771,102	735,027	658,848	9.55	108.28	142	194	Peabody	5,815,599	5,762,052	5,605,026	8.91	114.70	102	276
Marlborough	4,799,106	4,304,927	4,246,034	9.70	101.06	184	174	Pelham	138,724	128,127	122,564	10.28	77.88	328	162
Marsfield	3,324,465	3,328,302	3,123,301	9.13	116.80	85	245	Pembroke	2,155,180	2,177,758	2,004,435	9.26	106.01	156	228
Massapee	1,855,048	2,037,448	1,765,412	9.06	113.23	111	254	Pepperell	1,355,167	1,324,669	1,261,761	9.79	97.86	209	161
Mattapoisett	816,379	877,799	817,761	9.14	107.65	144	243	Peru	89,114	91,615	88,656	10.73	83.75	308	66
Maynard	1,154,294	1,047,631	1,265,408	9.12	107.62	145	246	Petersham	135,171	135,857	135,857	9.69	84.98	299	177
Medford	1,934,504	1,787,859	1,787,920	8.21	147.72	21	341	Phillipston	212,029	209,336	208,981	9.81	86.89	286	156
Medford	5,103,391	4,960,748	4,856,912	9.29	111.81	120	224	Pittsfield	4,136,593	4,404,904	3,880,458	9.74	96.08	220	168
Medway	1,660,641	1,612,786	1,596,581	8.81	117.30	84	282	Plainfield	72,278	55,282	64,239	10.99	78.44	326	49
Melrose	2,846,648	2,645,780	2,744,148	8.78	118.99	81	286	Plainville	1,014,287	1,155,542	996,491	8.81	107.53	146	284
Mendon	866,729	876,761	796,826	9.37	116.20	90	215	Plymouth	7,221,066	6,699,646	6,180,500	9.07	112.92	114	253
Merrimac	726,566	732,347	671,920	9.03	102.96	172	257	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	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	Tyngsborough	1,536,944	1,427,073	1,427,889	9.37	112.73	116	216	
Provincetown	457,818	524,372	469,715	11.60	111.76	122	22	Tyngsboro	63,480	54,140	48,669	8.94	84.31	302	272	
Quincy	8,479,909	8,061,727	7,592,699	9.26	113.15	113	229	Upton	959,998	962,964	908,573	9.03	114.47	104	259	
Randolph	3,325,703	3,206,016	2,929,849	9.74	104.79	161	169	Uxbridge	1,599,509	1,749,611	1,543,024	9.37	103.03	171	217	
Raynham	1,808,462	1,943,777	1,777,603	8.73	116.80	86	291	Wakefield	3,251,488	3,107,655	3,053,104	8.69	122.39	63	295	
Reading	2,937,456	2,835,294	2,756,670	8.10	125.89	56	346	Wales	213,923	209,389	185,116	11.23	76.14	336	35	
Rehoboth	1,626,359	1,629,030	1,516,407	10.25	107.28	147	100	Walpole	3,217,105	3,441,207	3,252,093	8.49	132.34	41	325	
Revere	4,161,309	4,999,906	4,482,221	10.05	128.82	49	124	Waltham	6,117,029	5,950,314	5,579,362	9.41	112.67	117	212	
Richmond	216,905	234,440	253,200	9.58	116.21	89	190	Ware	924,960	933,893	868,418	10.96	80.31	323	53	
Rochester	741,548	737,781	635,174	10.12	96.38	218	110	Wareham	2,552,548	2,472,970	2,231,887	10.28	87.98	275	99	
Rockland	1,827,957	1,858,124	1,620,871	9.81	96.83	214	157	Warren	448,850	496,036	440,413	10.97	77.82	329	52	
Rockport	933,141	831,183	822,540	9.73	105.36	158	171	Wareham	70,390	78,938	78,211	10.11	75.61	337	113	
Rowe	43,539	45,757	44,284	11.82	87.54	278	177	Washington	81,013	88,344	76,727	10.51	94.52	234	77	
Rowley	835,464	855,234	791,400	9.52	110.00	136	198	Watertown	3,429,259	3,286,194	3,019,158	9.02	119.85	79	261	
Royalston	139,708	135,738	128,754	10.51	72.82	346	76	Wayland	2,095,697	2,160,976	1,983,537	8.39	149.59	17	332	
Russell	177,357	161,716	151,350	11.55	84.21	304	25	Webster	1,742,892	1,792,750	1,668,974	10.25	95.43	227	101	
Rutland	981,599	985,668	890,842	8.50	108.55	141	323	Wellesley	3,982,884	4,278,251	4,061,254	8.36	180.11	3	334	
Salem	3,485,883	3,540,267	3,179,235	10.19	100.42	192	108	Wellfleet	424,934	431,171	387,761	11.00	91.45	256	47	
Salisbury	987,535	1,016,381	948,374	10.45	96.61	216	81	Wendell	78,829	74,502	71,140	10.42	60.87	351	132	
Sandisfield	117,333	95,003	62,561	11.01	85.25	296	45	Wareham	556,727	593,356	535,781	9.48	137.16	34	206	
Sandwich	3,014,714	2,799,525	2,594,288	9.05	113.69	108	255	W. Boylston	975,417	965,344	919,476	8.56	112.61	118	316	
Saugus	3,235,042	3,320,470	3,103,966	9.03	119.86	78	258	W. Brookwater	1,030,936	1,126,925	1,043,582	9.85	105.44	157	153	
Saugus	87,869	93,189	87,722	9.50	83.55	311	203	W. Brookfield	453,100	425,146	385,112	9.74	88.31	274	170	
Scituate	2,370,414	2,368,679	2,298,769	8.94	121.76	65	271	W. Newbury	627,744	586,805	582,668	9.21	118.71	82	235	
Seekonk	1,995,550	2,048,599	1,707,681	9.89	111.49	126	145	W. Springfield	3,017,283	2,921,387	2,825,034	10.31	102.21	177	95	
Sharon	2,556,712	2,673,656	2,433,075	7.71	145.36	25	351	W. Stockbridge	201,667	196,035	206,471	9.71	110.29	134	173	
Sheffield	501,814	486,993	408,125	11.60	89.49	266	23	W. Tisbury	404,538	438,909	459,376	12.61	96.91	213	11	
Shelburne	211,124	219,047	182,346	10.63	81.20	317	69	Westborough	2,645,380	2,484,742	2,477,899	8.40	132.60	39	330	
Shelburne	736,899	761,141	707,271	9.00	159.23	7	264	Westfield	4,012,668	4,118,461	3,770,771	10.25	97.33	211	102	
Shirley	634,822	625,665	593,489	9.94	95.28	229	138	Westford	2,880,020	3,007,169	2,726,977	8.45	123.76	61	327	
Shrewsbury	4,680,209	4,688,251	4,411,325	8.30	129.10	48	336	Westhampton	193,937	199,798	186,701	9.65	91.83	250	181	
Shrewsbury	174,420	175,190	164,612	10.02	75.57	338	131	Westminster	978,139	1,029,347	956,495	9.48	104.01	167	207	
Somerset	1,964,332	1,930,089	1,773,251	9.26	94.14	237	230	Weston	2,231,627	2,424,150	2,295,515	8.27	207.85	1	337	
Somerville	4,702,207	4,603,617	4,508,441	10.33	95.13	231	92	Westport	2,039,668	2,090,594	1,817,258	10.03	93.19	242	128	
S. Hadley	1,688,858	1,776,572	1,547,096	9.49	95.48	226	204	Westwood	2,309,888	2,298,851	2,135,755	8.12	154.77	9	345	
Southampton	736,595	697,035	669,385	9.88	91.87	249	146	Weymouth	5,738,105	6,211,163	5,611,707	9.51	104.27	163	200	
Southborough	1,792,140	1,918,873	1,758,885	7.98	162.77	6	349	Whately	176,243	203,957	182,707	11.19	86.30	291	38	
Southbridge	1,425,222	1,433,494	1,320,884	10.53	88.41	272	74	Whitman	1,403,426	1,750,880	1,485,376	9.58	97.94	207	191	
Southwick	1,164,485	1,173,170	1,154,224	10.99	97.32	212	50	Wilbraham	1,978,273	1,922,323	1,821,479	9.19	115.83	92	238	
Spencer	1,360,966	1,360,619	1,237,089	9.87	94.02	238	149	Williamsburg	278,682	252,175	240,738	10.07	88.48	271	121	
Springfield	9,205,553	9,211,096	8,635,626	13.04	81.02	318	6	Williamstown	703,232	703,387	649,729	9.58	110.15	135	192	
Sterling	1,173,243	1,156,191	1,039,928	8.67	113.52	109	299	Wilmington	3,267,622	3,226,536	3,028,490	8.57	120.62	71	314	
Stockbridge	295,580	275,215	257,351	10.97	103.28	169	51	Winchendon	940,990	942,629	913,576	10.07	84.05	306	122	
Stonham	2,759,279	2,727,713	2,529,812	8.66	121.83	64	301	Winchester	2,897,549	3,078,917	2,889,394	8.58	150.87	14	313	
Stoughton	3,444,571	3,539,202	3,199,522	9.00	111.15	129	265	Windsor	124,383	131,142	106,459	10.84	89.55	265	59	
Stow	887,590	861,578	793,906	9.02	113.97	106	260	Winthrop	1,720,383	1,827,763	1,623,025	9.53	131.29	45	195	
Sturbridge	1,239,326	1,228,115	1,189,360	8.56	112.92	115	315	Woburn	5,186,842	5,026,086	4,783,951	9.32	114.81	99	221	
Sudbury	2,789,222	2,965,914	2,589,563	8.19	165.28	5	342	Worcester	13,163,913	12,387,989	12,313,675	10.35	95.52	224	89	
Sunderland	347,975	344,318	316,971	10.22	85.67	295	104	Worthington	156,809	161,634	151,975	10.03	85.68	294	129	
Sutton	1,397,243	1,414,159	1,228,395	8.67	114.75	100	300	Wrentham	1,660,927	1,424,954	1,422,701	8.99	120.13	74	267	
Swampscott	1,937,737	1,977,981	1,987,561	8.65	146.31	23	305	Yarmouth	3,161,770	2,912,241	2,864,554	9.95	99.29	201	134	
Swansea	1,739,192	1,967,712	1,683,731	9.90	91.65	252	143	State total	683,167,505	694,263,637	636,891,004	9.83	102.06			
Taunton	5,655,122	5,722,985	5,126,311	9.88	93.02	244	147									
Taunton	878,356	849,423	784,909	9.40	88.86	269	213									
Templeton	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									
Tirol	326,619	251,807	470,451	11.42	109.92	137	29									

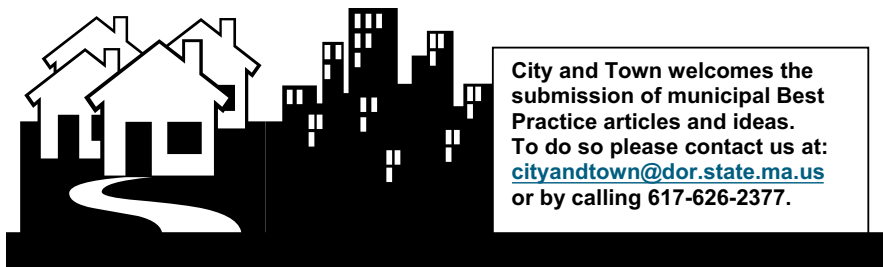
Table 6

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. ■



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.maaao.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 re-assignment 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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