



TOWN OF ANDOVER *Finance & Budget*

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Andrew P. Flanagan
Town Manager

Michael Lindstrom
Deputy Town Manager

To: Board of Selectmen
Finance Committee
Superintendent of Schools
School Committee

From: Hayley Green, Town Accountant/Assistant Finance Director *HG*

CC: Andrew Flanagan, Michael Lindstrom, Donna Walsh, Paul Szymanski,
Janet Wright, Jared Mullane, Town Website

Date: April 22, 2019

Re: ***FY 2019 Financials***

The attached reports summarize the Town's financial position through February 28, 2019.
Included are the following:

- Executive Summary
- Budgeted versus Actual Revenues – General Fund and Enterprise Funds
- Revenue Comparison Graph – Local Receipts
- Personal Services and Other Expenditures by Department
- Reserve Account and Compensation Fund Analysis
- Chapter 44 § 53 E ½ Revolving Funds
- Capital Projects status – FY10 – FY19

Feel free to contact me, should you have any questions regarding the reports.

The attached reports of the Town Accountant summarize FY 2019 General Fund Revenues and Expenditures through February 28, 2019.

General Fund – Revenues

FY 2019 Total General Fund Collections of all sources collected through February 2019 are consistent with the annual projections.

FY 2019 Local Receipts collected through February 2019 are level with FY 2018 collections through the first eight months of the fiscal year. We have continued to collect more receipts from penalties and interest and investment income due to our new tax title policy and more active investment strategy. These large increases from last year in addition to increases in motor vehicle excise taxes and hotel/motel/meals taxes have helped to offset the reduction in receipts from fees and licenses and permits. The large change in fees is due to a \$150,500 receipt for a project in 2018 and the reduced licenses and permits are due to waived fees related to the gas event in 2019.

FY2019 Off-Set Receipts collected through February 2019 are higher than collections through the same period of time last fiscal year. This is due to higher ambulance receipts, timing of recreation collections, and more police detail fees due to the gas event.

General Fund – Personal Services

FY 2019 General Fund Personal Services are consistent with FY 2019 projections through February 2019. Encumbrances for Town departments are collectively bargained incentives due to personnel from FY18. Encumbrances for the School department are known, budgeted salaries due to employees in FY19.

General Fund – Other Expenses

FY 2019 General Fund Other Expenses are consistent with FY 2019 projections through February 2019. The general insurance budget is over due to a significant worker's compensation claim. \$400,000 from free cash is being requested at the 2019 annual town meeting to cover the deficit and future charges related to the claim.

The attached reports of the Town Accountant summarize FY 2019 Water and Sewer Revenues and Expenditures through February 28, 2019.

Water Enterprise Fund – Revenues

FY 2019 Total Water Receipts are consistent with the annual projections through this period. Even though rates increased, there was no significant change from prior year due to the credits for North Reading. More accounts were charged a fire suppression fee in FY19 than FY18 and in FY18 there were more commercial and residential connections than in FY19.

Sewer Enterprise Fund– Revenues

FY 2019 Total Sewer Receipts are consistent with the annual projections through this period. User charges increased approximately \$216,000 from FY18, which is a result of increased rates. Apportioned assessment collections were lower than in FY18, which is consistent with the lower budget.

Water Enterprise Fund – Personal Services and Other Expenses

FY 2019 Water Enterprise Fund Personal Services are consistent with FY 2019 projections through February 2019.

FY 2019 Water Enterprise Fund Other Expenses are consistent with FY 2019 projections through February 2019.

Sewer Enterprise Fund – Personal Services and Other Expenses

FY 2019 Sewer Enterprise Personal Services are consistent with FY 2019 projections through February 2019.

FY 2019 Sewer Enterprise Fund Other Expenses appear low when compared to projections through February 2019. However, when encumbrances are considered, the budget is expected to be fully spent.

Town of Andover
FY 2019 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 2/28/2019 and 2/28/2018

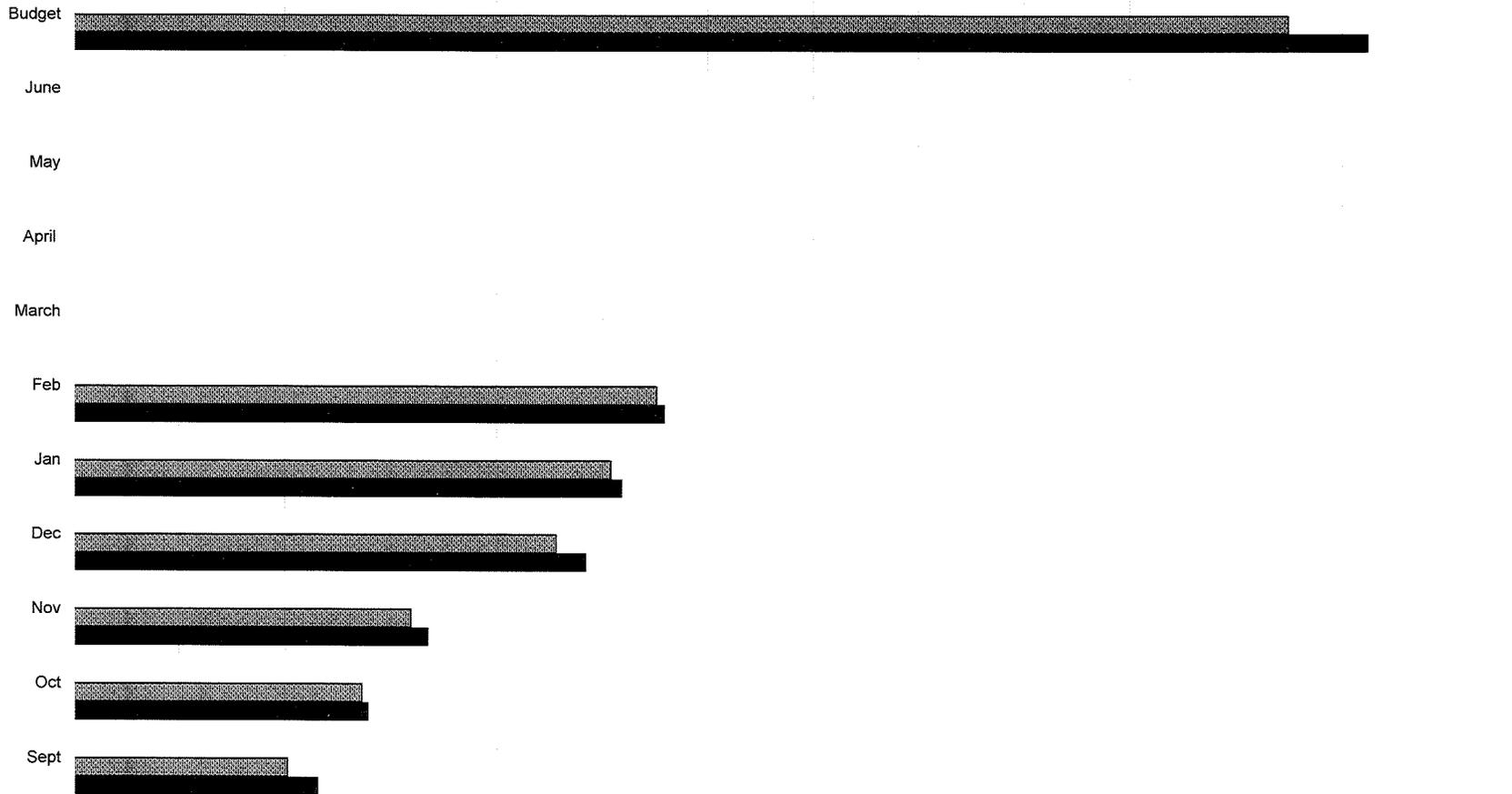
	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Local Receipts								
Motor Vehicle Excise	5,331,697	888,181	16.7%	5,103,600	787,555	15.4%	228,097	100,626
Hotel/Motel/Meals	2,250,205	1,651,398	73.4%	2,107,000	1,508,060	71.6%	143,205	143,338
Penalties and Interest on Taxes and Excises	326,345	366,565	112.3%	416,100	215,438	51.8%	(89,755)	151,127
Fees	82,813	53,119	64.1%	75,000	219,829	293.1%	7,813	(166,710)
Payments in Lieu of Taxes	382,000	2,016	0.5%	382,000	-	0.0%	-	2,016
Other Departmental Revenues	270,492	188,401	69.7%	300,000	152,006	50.7%	(29,508)	36,395
Other Departmental Revenues - School Medicare	353,279	134,291	38.0%	352,500	93,504	26.5%	779	40,787
Licenses and Permits	2,832,111	1,601,417	56.5%	2,445,000	2,083,353	85.2%	387,111	(481,936)
Fines & Forfeits	275,000	160,201	58.3%	236,100	191,740	81.2%	38,900	(31,539)
Investment Income	146,100	542,593	371.4%	75,000	257,930	343.9%	71,100	284,663
Special Assessments	-	650	N/A	-	1,756	N/A	-	(1,106)
Total Estimated Receipts	12,250,042	5,588,832	45.6%	11,492,300	5,511,171	48.0%	757,742	77,661
Off-Set Receipts								
Recreation	583,510	352,054	60.3%	582,930	208,226	35.7%	580	143,828
Elder Services	106,000	64,261	60.6%	97,000	75,521	77.9%	9,000	(11,260)
Department of Facilities - Rental Receipts	80,000	54,176	67.7%	47,600	59,911	125.9%	32,400	(5,735)
Cemetery - Interment Fees	60,000	46,174	77.0%	46,000	44,132	95.9%	14,000	2,042
Public Safety - Police Detail Fees	90,000	140,689	156.3%	75,000	71,759	95.7%	15,000	68,930
Public Safety / Fire - Ambulance Receipts	1,300,000	1,037,606	79.8%	1,300,000	893,559	68.7%	-	144,047
Total Off-Set Receipts	2,219,510	1,694,960	76.4%	2,148,530	1,353,108	63.0%	70,980	341,852
Other Revenues								
Property Taxes (inc. Tax Titles)	145,370,283	107,785,955	74.1%	139,352,561	107,816,498	77.4%	6,017,722	(30,543)
State Aid	12,783,980	8,551,396	66.9%	12,161,547	8,136,804	66.9%	622,433	414,592
Total Other Revenues	158,154,263	116,337,351	73.6%	151,514,108	115,953,302	76.5%	6,640,155	384,049
Total Revenues	172,623,815	123,621,143	71.6%	165,154,938	122,817,581	74.4%	7,468,877	803,562

Town of Andover
FY 2019 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 2/28/2019 and 2/28/2018

Water Fund	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	8,466,192	5,957,821	70.4%	8,191,018	6,270,610	76.6%	275,174	(312,789)
Water Connection	41,000	5,661	13.8%	40,000	54,886	137.2%	1,000	(49,225)
Water Testing Fees	22,000	10,180	46.3%	22,000	17,415	79.2%	-	(7,235)
Meter Installations	10,000	6,446	64.5%	12,000	5,830	48.6%	(2,000)	616
Fire Flow Test	9,000	13,685	152.1%	6,000	8,442	140.7%	3,000	5,243
Special/Final Reads	25,000	17,650	70.6%	27,000	18,743	69.4%	(2,000)	(1,093)
Backflow/Cross Connection Fees	75,000	37,245	49.7%	75,000	38,680	51.6%	-	(1,435)
Water Tap	-	300	N/A	-	725	N/A	-	(425)
Liens	120,000	80,083	66.7%	120,000	99,856	83.2%	-	(19,773)
Fire Suppression	150,000	165,671	110.4%	115,293	119,457	103.6%	34,707	46,214
Interest /Misc Revenue	9,000	2,084	23.2%	17,000	9,263	54.5%	(8,000)	(7,179)
Non-Revenue Interest	19,000	-	0.0%	11,000	-	0.0%	8,000	-
Total Water Receipts	8,946,192	6,296,826	70.4%	8,636,311	6,643,907	76.9%	309,881	(347,081)

Sewer Fund	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	4,722,968	3,121,113	66.1%	4,530,478	2,904,779	64.1%	192,490	216,334
Committed Interest/Income	245,000	132,022	53.9%	294,000	179,936	61.2%	(49,000)	(47,914)
Liens	90,000	47,844	53.2%	90,000	77,458	86.1%	-	(29,614)
Apport Assmnts	519,000	386,763	74.5%	678,000	512,863	75.6%	(159,000)	(126,100)
State Reimb/Grants	3,000	6,868	0.0%	-	-	0.0%	3,000	6,868
Interest /Misc Revenue	9,000	2,625	29.2%	15,000	8,252	55.0%	(6,000)	(5,627)
Non-Revenue Interest	21,000	-	0.0%	15,000	-	0.0%	6,000	-
Total Sewer Receipts	5,609,968	3,697,235	65.9%	5,622,478	3,683,288	65.5%	(12,510)	13,947
Total Enterprise Revenues	14,556,160	9,994,061	68.7%	14,258,789	10,327,195	72.43%	297,371	(333,134)

Town of Andover Local Receipts FY 2019 and FY 2018



	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget
FY 2018 % of Budget	17.6%	23.7%	27.7%	39.7%	44.2%	48.0%	0.0%	0.0%	0.0%	0.0%	
FY 2019 % of Budget	18.9%	22.7%	27.3%	39.5%	42.3%	45.6%	0.0%	0.0%	0.0%	0.0%	
FY 2018 Receipts	\$2,023,983	\$2,723,355	\$3,184,565	\$4,558,766	\$5,079,147	\$5,511,171					\$11,492,300
FY 2019 Receipts	\$2,313,570	\$2,785,119	\$3,349,104	\$4,839,842	\$5,184,243	\$5,588,832					\$12,250,042

Town of Andover
FY 2019 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 2/28/2019

	Original Appropriation	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services							
General Government	6,168,793	6,242,522	3,969,137	10,988	2,262,397	63.8%	63.6%
Community Services	1,712,735	1,713,886	1,214,016	-	499,870	70.8%	70.8%
Facilities	2,317,184	2,317,184	1,481,210	-	835,974	63.9%	63.9%
Public Safety - Fire	7,777,682	7,789,346	5,088,852	11,664	2,688,830	65.5%	65.3%
Public Safety - Police	7,627,531	7,639,858	4,854,014	-	2,785,844	63.5%	63.5%
Public Works	3,447,728	3,458,814	2,152,611	11,086	1,295,117	62.2%	62.2%
Library	2,163,080	2,174,349	1,395,198	-	779,151	64.2%	64.2%
School	66,753,383	66,758,633	36,765,803	29,075,445	917,385	98.6%	55.1%
Total Personal Services - General Fund	97,968,116	98,094,592	56,920,841	29,109,182	12,064,568	87.7%	58.0%
Water Enterprise	2,062,821	2,062,821	1,338,685	-	724,136	64.9%	64.9%
Sewer Enterprise	329,123	329,123	192,359	-	136,764	58.4%	58.4%
Total Personal Services - Enterprise Funds	2,391,944	2,391,944	1,531,044	-	860,900	64.0%	64.0%
Other Expenses							
General Government	2,209,706	2,383,263	1,560,876	218,826	603,561	74.7%	65.5%
Community Services	671,115	683,877	404,491	112,064	167,322	75.5%	59.1%
Facilities	1,459,534	1,653,306	735,490	508,091	409,725	75.2%	44.5%
Public Safety - Fire	517,150	537,747	312,073	84,936	140,738	73.8%	58.0%
Public Safety - Police	1,099,407	1,165,305	614,146	196,171	354,988	69.5%	52.7%
Public Works	4,965,663	5,384,869	2,763,393	1,437,232	1,184,244	78.0%	51.3%
Library	666,012	668,833	420,856	173,219	74,758	88.8%	62.9%
School	15,757,275	16,063,078	10,071,447	5,903,796	87,835	99.5%	62.7%
Technical Schools	628,300	628,300	418,408	173,827	36,065	94.3%	66.6%
Debt Service	14,568,902	14,568,902	12,457,513	-	2,111,389	85.5%	85.5%
Insurance	967,703	970,445	978,745	3,506	(11,806)	101.2%	100.9%
Health Insurance	20,662,075	20,662,075	11,656,599	-	9,005,476	56.4%	56.4%
Unemployment	160,000	160,000	73,682	1,075	85,243	46.7%	46.1%
Retirement	10,371,338	10,371,338	10,371,338	-	-	100.0%	100.0%
Reserve Fund	200,000	200,000	-	-	200,000	0.0%	0.0%
OPEB Appropriation	1,416,888	1,416,888	1,416,888	-	-	100.0%	100.0%
Total Other Expenses - General Fund	76,321,068	77,518,226	54,255,945	8,812,743	14,449,539	81.4%	70.0%
Water Enterprise	3,199,600	3,893,082	2,294,871	1,093,059	505,152	87.0%	58.9%
Sewer Enterprise	2,537,257	2,737,574	1,345,026	1,325,549	66,999	97.6%	49.1%
Total Other Expenses - Enterprise Funds	5,736,857	6,630,656	3,639,897	2,418,608	572,151	91.4%	54.9%
Total - General Fund	174,289,184	175,612,818	111,176,786	37,921,925	26,514,107	84.9%	63.3%
Total - Enterprise Funds	8,128,801	9,022,600	5,170,941	2,418,608	1,433,051	84.1%	57.3%
Total General and Enterprise Funds	182,417,985	184,635,418	116,347,727	40,340,533	27,947,158	84.9%	63.0%

Town of Andover
FY 2019 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 2/28/19

	CD & P Legal Notices	Library Lost/Damaged Materials	CD & P Health Services Clinics	DCS Special Services	Youth Services	P & F Field Maintenance	Elder Services	Police Antenna Uses	School Photocopy Fees	P & F Compost Program	DPW Solid Waste Fees	CD & P Stormwater Management	Fire Emergency Billing	Health Services Inspections
	Acct 5550	Acct 5631	Acct 5557	Acct 5552	Acct 5553	Acct 5622	Acct 5554	Acct 5653	Acct 4510	Acct 5666	Acct 5667	Acct 5668	Acct 5669	Acct 5670
Balance thru 6/30/2017	16,001	12,999	32,663	448,734	300,007	139,877	168,247	38,367	21,924	26,153	15,258	0	9,679	2,275
Receipts thru 6/30/2018	22,360	4,526	62,125	489,361	430,576	67,050	173,704	12,844	2,710	25,685	18,440	0	44,707	49,500
Expenditures thru 6/30/2018	24,043	3,588	50,487	562,866	459,941	96,212	147,043	24,905	10,000	26,866	11,208	0	18,160	12,830
Balance thru 6/30/2018	14,318	13,937	44,301	375,229	270,641	110,714	194,909	26,306	14,634	24,972	22,490	0	36,226	38,945
Receipts thru 2/28/2019	14,030	3,153	5,461	305,122	197,712	52,264	122,310	3,906	3,595	4,232	18,105	0	15,744	49,940
Expenditures thru 2/28/2019	14,276	322	47,889	454,094	193,850	52,334	115,581	0	0	3,901	8,059	0	13,245	16,581
Balance thru 2/28/2019	14,072	16,768	1,873	226,257	274,503	110,644	201,638	30,212	18,229	25,303	32,535	0	38,725	72,304

Spending Authorization Art 16 - ATM 18	\$20,000	\$20,000	\$60,000	\$625,000	\$400,000	\$150,000	\$225,000	\$50,000	\$10,000	\$60,000	\$40,000	\$5,000	\$100,000	\$100,000
Y-T-D % Spent	71.38%	1.61%	79.82%	72.66%	48.46%	34.89%	51.37%	0.00%	0.00%	6.50%	20.15%	0.00%	13.25%	16.58%

**Town of Andover
Capital Projects
2/28/2019**

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Total Available
Budget	520,400	520,400	520,800	912,500	1,003,000	1,040,000	1,078,000	1,120,000	1,495,643	1,040,000	
Expended	520,290	519,381	519,356	912,225	1,003,000	1,037,364	1,068,454	1,079,330	1,234,928	269,060	
Encumbered	-	-	-	275	-	-	9,406	15,141	93,719	133,026	
Total School CIP Available	110	1,019	1,444	-	-	2,636	140	25,528	166,996	637,914	835,788
Budget	57,600	57,600	75,000	145,000	70,000	85,000	112,000	222,000	579,018	487,000	
Expended	57,600	34,558	65,606	115,737	70,000	60,095	65,900	146,201	493,140	37,531	
Encumbered	-	-	-	-	-	9,905	-	-	39,357	60,296	
Total General Government CIP Available	-	23,042	9,394	29,263	-	15,000	46,100	75,799	46,521	389,173	634,292
Budget	-	-	-	-	-	62,000	-	-	32,214	-	
Expended	-	-	-	-	-	39,976	-	-	28,601	-	
Encumbered	-	-	-	-	-	8,534	-	-	-	-	
Total Youth Services CIP Available	-	-	-	-	-	13,490	-	-	3,613	-	17,103
Budget	-	-	10,000	25,000	21,100	17,000	70,000	50,000	-	-	
Expended	-	-	7,596	25,000	21,100	17,000	66,873	50,000	-	-	
Encumbered	-	-	-	-	-	-	-	-	-	-	
Total Recreation CIP Available	-	-	2,404	-	-	-	3,127	-	-	-	5,531
Budget	-	-	-	65,000	79,000	50,000	25,000	25,000	-	-	
Expended	-	-	-	65,000	79,000	50,000	20,933	23,423	-	-	
Encumbered	-	-	-	-	-	-	-	-	-	-	
Total Library CIP Available	-	-	-	-	-	-	4,067	1,577	-	-	5,645
Budget	365,000	355,500	319,600	375,000	589,400	550,000	590,000	623,000	800,000	946,000	
Expended	363,840	355,412	319,600	375,000	589,400	550,000	569,986	579,285	660,795	118,263	
Encumbered	-	-	-	-	-	-	4,850	12,814	38,594	120,408	
Total Facilities CIP Available	1,160	88	-	-	-	-	15,164	30,901	100,612	707,329	855,253
Budget	110,000	110,000	125,000	225,500	215,500	281,000	285,000	195,000	293,500	250,077	
Expended	110,000	110,000	125,000	181,820	212,679	241,475	281,849	195,000	214,900	117,383	
Encumbered	-	-	-	43,680	-	-	-	-	78,500	34,290	
Total Police CIP Available	-	-	-	-	2,821	39,525	3,151	-	100	98,404	144,001
Budget	86,000	97,500	70,000	82,000	142,000	79,000	50,000	20,000	63,500	214,000	
Expended	86,000	97,500	69,967	66,800	142,000	20,455	37,332	16,623	61,352	71,715	
Encumbered	-	-	-	-	-	-	-	-	-	-	
Total Fire CIP Available	-	-	33	15,200	-	58,545	12,668	3,378	2,148	142,285	234,257
Budget	107,000	105,000	75,000	190,000	160,000	206,000	240,000	285,000	415,000	328,000	
Expended	107,000	105,000	75,000	181,477	151,112	205,813	233,375	225,018	250,152	176,470	
Encumbered	-	-	-	-	8,888	187	6,625	1,082	5,215	22,989	
Total DPW CIP Available	-	-	-	8,523	-	-	-	58,900	159,633	128,541	355,596
Budget	725,600	725,600	674,600	1,107,500	1,277,000	1,330,000	1,372,000	1,420,000	2,183,232	2,225,077	
Expended	724,440	702,469	662,770	1,010,834	1,265,291	1,184,813	1,276,247	1,235,549	1,708,940	521,362	
Encumbered	-	-	-	43,680	8,888	18,626	11,475	13,896	161,666	237,983	
Total Town CIP Available	1,160	23,131	11,830	52,986	2,821	126,561	84,278	170,555	312,626	1,465,732	2,251,678
Budget	1,246,000	1,246,000	1,195,400	2,020,000	2,280,000	2,370,000	2,450,000	2,540,000	3,678,875	3,265,077	
Expended	1,244,731	1,221,851	1,182,126	1,923,059	2,268,291	2,222,177	2,344,701	2,314,879	2,943,867	790,422	
Encumbered	-	-	-	43,955	8,888	18,626	20,881	29,038	255,385	371,009	
Grand Total Available	1,269	24,149	13,274	52,986	2,821	129,197	84,418	196,083	479,623	2,103,646	3,087,466