



TOWN OF ANDOVER *Finance & Budget*

Hayley Green, CPA, Town Accountant/Assistant Finance Director
Accounting Department

36 Bartlet Street
Andover, MA 01810
(978) 623-8920

hayley.green@andoverma.us
www.andoverma.gov

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 *AG*

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

Date: June 7, 2019

Re: ***FY 2019 Financials***

The attached reports summarize the Town's financial position through April 30, 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 April 30, 2019.

General Fund – Revenues

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

FY 2019 Local Receipts collected through April 2019 are approximately \$1.1 million greater than FY 2018 collections through the same period of time. This large increase is partially due to collections of about \$414,000 of timely payments for motor vehicle excise taxes. Investment income continues to be strong due to a more active investment strategy, where we were able to earn approximately \$407,000 more than last year through the same time period. The gas event led to a higher hotel/motel usage, which resulted in approximately \$356,000 more receipts than last year through the first ten months of the year. We also have continued to collect more receipts from penalties and interest due to our new tax title policy. These large increases from last year have offset the reduction of approximately \$255,000 in receipts from licenses and permits and reduction of \$167,000 in fees. These large decreases are primarily due to waived fees related to the gas event in 2019 and a \$150,000 planning fee in FY18.

FY2019 Off-Set Receipts collected through April 2019 are higher than collections through the same period of time last fiscal year. This is due to higher ambulance receipts and timing of recreation collections.

General Fund – Personal Services

FY 2019 General Fund Personal Services are consistent with FY 2019 projections through April 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 April 2019. The general insurance budget is over, however, annual town meeting approved \$400,000 from free cash to cover this deficit and future charges related to workers compensation. The school budget is also over due to encumbrances that will be lowered prior to yearend.

The attached reports of the Town Accountant summarize FY 2019 Water and Sewer Revenues and Expenditures through April 30, 2019.

Water Enterprise Fund – Revenues

FY 2019 Total Water Receipts are consistent with the annual projections through this period. Total receipts are about \$591,000 lower than prior year which is primarily due to the timing of bills and credits for North Reading in FY 2019.

Sewer Enterprise Fund– Revenues

FY 2019 Total Sewer Receipts are consistent with the annual projections through this period. User charges increased approximately \$227,000 from FY18, which is a result of increased rates. This increase was offset by the \$148,000 decrease in apportioned assessment collections, 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 April 2019.

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

Sewer Enterprise Fund – Personal Services and Other Expenses

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

FY 2019 Sewer Enterprise Fund Other Expenses are consistent with FY 2019 projections through April 2019.

Town of Andover
FY 2019 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 4/30/2019 and 4/30/2018

	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	5,294,982	99.3%	5,103,600	4,880,879	95.6%	228,097	414,103
Hotel/Motel/Meals	2,250,205	2,404,535	106.9%	2,107,000	2,048,573	97.2%	143,205	355,962
Penalties and Interest on Taxes and Excises	326,345	436,375	133.7%	416,100	255,918	61.5%	(89,755)	180,457
Fees	82,813	56,179	67.8%	75,000	223,669	298.2%	7,813	(167,490)
Payments in Lieu of Taxes	382,000	412,015	107.9%	382,000	397,768	104.1%	-	14,247
Other Departmental Revenues	270,492	281,275	104.0%	300,000	182,611	60.9%	(29,508)	98,664
Other Departmental Revenues - School Medicare	353,279	138,795	39.3%	352,500	95,752	27.2%	779	43,043
Licenses and Permits	2,832,111	2,105,439	74.3%	2,445,000	2,360,387	96.5%	387,111	(254,948)
Fines & Forfeits	275,000	206,965	75.3%	236,100	234,233	99.2%	38,900	(27,268)
Investment Income	146,100	756,019	517.5%	75,000	348,609	464.8%	71,100	407,410
Special Assessments	-	1,163	N/A	-	2,290	N/A	-	(1,127)
Total Estimated Receipts	12,250,042	12,093,742	98.7%	11,492,300	11,030,689	96.0%	757,742	1,063,053
Off-Set Receipts								
Recreation	583,510	477,763	81.9%	582,930	338,452	58.1%	580	139,311
Elder Services	106,000	81,609	77.0%	97,000	95,280	98.2%	9,000	(13,671)
Department of Facilities - Rental Receipts	80,000	69,939	87.4%	47,600	72,463	152.2%	32,400	(2,524)
Cemetery - Interment Fees	60,000	57,660	96.1%	46,000	53,380	116.0%	14,000	4,280
Public Safety - Police Detail Fees	90,000	148,179	164.6%	75,000	80,714	107.6%	15,000	67,465
Public Safety / Fire - Ambulance Receipts	1,300,000	1,306,886	100.5%	1,300,000	1,110,621	85.4%	-	196,265
Total Off-Set Receipts	2,219,510	2,142,036	96.5%	2,148,530	1,750,910	81.5%	70,980	391,126
Other Revenues								
Property Taxes (inc. Tax Titles)	145,370,283	140,111,878	96.4%	139,352,561	131,995,032	94.7%	6,017,722	8,116,846
State Aid	12,783,980	10,685,526	83.6%	12,161,547	10,171,719	83.6%	622,433	513,807
Total Other Revenues	158,154,263	150,797,404	95.3%	151,514,108	142,166,751	93.8%	6,640,155	8,630,653
Total Revenues	172,623,815	165,033,182	95.6%	165,154,938	154,948,350	93.8%	7,468,877	10,084,832

Town of Andover
FY 2019 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 4/30/2019 and 4/30/2018

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	7,023,324	83.0%	8,191,018	7,646,813	93.4%	275,174	(623,489)
Water Connection	41,000	12,023	29.3%	40,000	55,515	138.8%	1,000	(43,492)
Water Testing Fees	22,000	10,180	46.3%	22,000	17,415	79.2%	-	(7,235)
Meter Installations	10,000	9,371	93.7%	12,000	6,505	54.2%	(2,000)	2,866
Fire Flow Test	9,000	14,185	157.6%	6,000	8,442	140.7%	3,000	5,743
Special/Final Reads	25,000	20,064	80.3%	27,000	20,893	77.4%	(2,000)	(829)
Backflow/Cross Connection Fees	75,000	37,245	49.7%	75,000	38,745	51.7%	-	(1,500)
Water Tap	-	300	N/A	-	725	N/A	-	(425)
Liens	120,000	148,744	124.0%	120,000	127,098	105.9%	-	21,646
Fire Suppression	150,000	229,642	153.1%	115,293	167,692	145.4%	34,707	61,950
Interest /Misc Revenue	9,000	2,937	32.6%	17,000	9,624	56.6%	(8,000)	(6,687)
Non-Revenue Interest	19,000	-	0.0%	11,000	-	0.0%	8,000	-
Total Water Receipts	8,946,192	7,508,015	83.9%	8,636,311	8,099,467	93.8%	309,881	(591,452)

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	3,924,079	83.1%	4,530,478	3,696,759	81.6%	192,490	227,320
Committed Interest/Income	245,000	231,485	94.5%	294,000	271,110	92.2%	(49,000)	(39,625)
Liens	90,000	86,067	95.6%	90,000	97,883	108.8%	-	(11,816)
Apport Assmnts	519,000	591,403	114.0%	678,000	739,542	109.1%	(159,000)	(148,139)
State Reimb/Grants	3,000	6,868	0.0%	-	-	0.0%	3,000	6,868
Interest /Misc Revenue	9,000	3,504	38.9%	15,000	8,711	58.1%	(6,000)	(5,207)
Non-Revenue Interest	21,000	-	0.0%	15,000	-	0.0%	6,000	-
Total Sewer Receipts	5,609,968	4,843,406	86.3%	5,622,478	4,814,005	85.6%	(12,510)	29,401

Total Enterprise Revenues	14,556,160	12,351,421	84.9%	14,258,789	12,913,472	90.56%	297,371	(562,051)
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Town of Andover Local Receipts FY 2019 and FY 2018



	\$0	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000	\$6,000,000	\$7,000,000	\$8,000,000	\$9,000,000	\$10,000,000	\$11,000,000	\$12,000,000	\$13,000,000
	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%	74.3%	96.0%	0.0%	0.0%				
■ FY 2019 % of Budget	18.9%	22.7%	27.3%	39.5%	42.3%	45.6%	77.9%	98.7%	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	\$8,541,993	\$11,030,689			\$11,492,300			
■ FY 2019 Receipts	\$2,313,570	\$2,785,119	\$3,349,104	\$4,839,842	\$5,184,243	\$5,588,832	\$9,543,988	\$12,093,742			\$12,250,042			

Town of Andover
FY 2019 Year-To-Date Budget Report

Personal Services and Other Expenditures thru 4/30/2019

	Original Appropriation	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	%
Personal Services							Expended
General Government	6,168,793	6,242,522	4,836,883	10,988	1,394,651	77.7%	77.5%
Community Services	1,712,735	1,713,886	1,392,559	-	321,327	81.3%	81.3%
Facilities	2,317,184	2,317,184	1,837,178	-	480,006	79.3%	79.3%
Public Safety - Fire	7,777,682	7,789,346	6,152,657	11,664	1,625,025	79.1%	79.0%
Public Safety - Police	7,627,531	7,639,858	5,939,978	-	1,699,880	77.7%	77.7%
Public Works	3,447,728	3,458,814	2,711,408	11,086	736,320	78.7%	78.4%
Library	2,163,080	2,174,349	1,717,024	-	457,325	79.0%	79.0%
School	66,753,383	66,758,633	47,595,332	18,724,264	439,037	99.3%	71.3%
Total Personal Services - General Fund	97,968,116	98,094,592	72,183,019	18,758,001	7,153,571	92.7%	73.6%
Water Enterprise	2,062,821	2,062,821	1,639,147	-	423,674	79.5%	79.5%
Sewer Enterprise	329,123	329,123	218,410	-	110,713	66.4%	66.4%
Total Personal Services - Enterprise Funds	2,391,944	2,391,944	1,857,557	-	534,387	77.7%	77.7%
Other Expenses	Original Appropriation	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	%
General Government	2,209,706	2,383,263	1,804,630	247,799	330,834	86.1%	75.7%
Community Services	671,115	683,877	482,240	100,797	100,840	85.3%	70.5%
Facilities	1,459,534	1,653,306	985,241	383,440	284,625	82.8%	59.6%
Public Safety - Fire	517,150	537,747	370,492	96,832	70,423	86.9%	68.9%
Public Safety - Police	1,099,407	1,165,305	715,289	204,741	245,275	79.0%	61.4%
Public Works	4,965,663	5,384,869	3,575,219	1,132,330	677,320	87.4%	66.4%
Library	666,012	668,833	499,608	130,187	39,038	94.2%	74.7%
School	15,757,275	16,063,078	13,284,349	3,357,236	(578,507)	103.6%	82.7%
Technical Schools	628,300	628,300	469,815	122,420	36,065	94.3%	74.8%
Debt Service	14,568,902	14,568,902	13,152,547	-	1,416,355	90.3%	90.3%
Insurance	967,703	970,445	987,632	9,619	(26,806)	102.8%	101.8%
Health Insurance	20,662,075	20,662,075	13,773,952	-	6,888,123	66.7%	66.7%
Unemployment	160,000	160,000	130,865	1,075	28,060	82.5%	81.8%
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	62,020,105	5,786,476	9,711,646	87.5%	80.0%
Water Enterprise	3,199,600	3,893,082	2,673,751	854,342	364,989	90.6%	68.7%
Sewer Enterprise	2,537,257	2,737,574	1,730,468	943,438	63,668	97.7%	63.2%
Total Other Expenses - Enterprise Funds	5,736,857	6,630,656	4,404,219	1,797,780	428,657	93.5%	66.4%
Total - General Fund	<u><u>174,289,184</u></u>	<u><u>175,612,818</u></u>	<u><u>134,203,124</u></u>	<u><u>24,544,477</u></u>	<u><u>16,865,216</u></u>	<u><u>90.4%</u></u>	<u><u>76.4%</u></u>
Total - Enterprise Funds	<u><u>8,128,801</u></u>	<u><u>9,022,600</u></u>	<u><u>6,261,776</u></u>	<u><u>1,797,780</u></u>	<u><u>963,044</u></u>	<u><u>89.3%</u></u>	<u><u>69.4%</u></u>

Town of Andover
FY 2019 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 4/30/19

	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 4/30/2019	17,315	3,692	26,425	447,176	334,795	53,204	136,765	5,608	3,739	14,494	20,087	0	18,908	51,295
Expenditures thru 4/30/2019	16,909	322	48,726	524,512	272,609	62,614	130,748	0	0	3,901	8,059	0	14,027	19,869
Balance thru 4/30/2019	14,724	17,306	22,000	297,893	332,827	101,304	200,926	31,914	18,373	35,565	34,517	0	41,107	70,371

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	84.55%	1.61%	81.21%	83.92%	68.15%	41.74%	58.11%	0.00%	0.00%	6.50%	20.15%	0.00%	14.03%	19.87%

**Town of Andover
Capital Projects
4/30/2019**

	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	912,500	1,003,000	1,037,364	1,068,454	1,084,410	1,261,243	317,793		
Encumbered	-	-	-	-	-	-	9,406	11,424	83,263	213,204		
Total School CIP	Available	110	1,019	1,444	-	-	2,636	140	24,166	151,137	509,004	689,655
Budget	57,600	57,600	75,000	145,000	70,000	85,000	112,000	222,000	579,018	487,000		
Expended	57,600	37,975	65,606	115,737	70,000	60,095	65,900	157,061	557,466	89,487		
Encumbered	-	15,700	-	19,500	-	9,905	-	-	5,754	36,156		
Total General Government CIP	Available	-	3,925	9,394	9,763	-	15,000	46,100	64,939	15,798	361,358	526,277
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	574,836	579,285	689,479	187,455		
Encumbered	-	-	-	-	-	-	-	33,159	25,848	134,974		
Total Facilities CIP	Available	1,160	88	-	-	-	15,164	10,556	84,673	623,571	735,212	
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	293,400	159,414		
Encumbered	-	-	-	43,680	-	-	-	-	-	33,151		
Total Police CIP	Available	-	-	-	2,821	39,525	3,151	-	100	57,512	103,109	
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	705,886	662,770	1,010,834	1,265,291	1,184,813	1,281,097	1,246,409	1,880,450	684,541		
Encumbered	-	15,700	-	63,180	8,888	18,626	6,625	34,241	36,817	227,270		
Total Town CIP	Available	1,160	4,014	11,830	33,486	2,821	126,561	84,278	139,350	265,965	1,313,267	1,982,730
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	1,225,267	1,182,126	1,923,334	2,268,291	2,222,177	2,349,551	2,330,819	3,141,693	1,002,333		
Encumbered	-	15,700	-	63,180	8,888	18,626	16,031	45,665	120,080	440,473		
Grand Total	Available	1,269	5,033	13,274	33,486	2,821	129,197	84,418	163,516	417,102	1,822,270	2,672,385