



TOWN OF ANDOVER *Finance & Budget*

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

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Andrew P. Flanagan
Town Manager

Michael Lindstrom
Deputy Town Manager

To: Select Board
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: January 24, 2020

Re: ***FY 2020 Financials***

The attached reports summarize the Town's financial position through November 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 – FY13 – FY20

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

The attached reports of the Town Accountant summarize FY 2020 revenues and expenditures for the General Fund, Enterprise Funds, Compensation Fund, Reserve Fund, Revolving Funds and Capital Projects through November 30, 2019.

General Fund

The total general fund receipts of all sources collected through November 30, 2019 are in line with the annual projections through the first five months of the year. FY2020 local receipts are approximately \$972,000 greater than FY 2019 collections through the same period of time. This large increase is primarily due to two large building permits in August and October for \$416,000 and \$95,000, respectively. Also contributing to this increase is a FEMA receipt of \$258,000 from the March 13, 2018 storm and investment income, where more cash was available at the beginning of this fiscal year due to the Columbia Gas Settlement. Off-set receipts collections are lower than collections through the same period of time last fiscal year but are in line with the annual projections.

General fund personal services and other expenditures are both consistent with FY 2020 projections through November 2019. The required appropriation for pension, as well as the \$300,000 additional appropriation, was paid in full in August.

Water Enterprise Fund

The total water enterprise fund collections are consistent with the annual projections through November 2019 and are consistent with prior year receipts. Water personal services and other expenditures are both also consistent with FY 2020 projections through November 2019.

Sewer Enterprise Fund

The total sewer enterprise fund collections continue to be lower than projections through November 2019. This is primarily due to timing of bills and payments, where the user charges decreased approximately \$478,000 from FY19. Sewer personal services are

lower than FY2020 projections and other expenditures are consistent with the FY 2020 projections through November 2019.

Reserve Fund

Town Meeting approved a reserve fund balance of \$200,000. In August 2019, the Finance Committee approved a transfer of \$60,000 to be used for emergency water system repairs at Andover High School.

Compensation Fund

Town Meeting approved a compensation fund balance of \$590,000. This money has not been allocated through November 2019.

Revolving Accounts

Town Meeting voted to approve 15 revolving funds with a total spending limit of \$1,990,000. All funds are within their spending limits.

Capital Projects

These projects are part of the Town's capital improvement plan voted at Town Meeting from taxation. There have been discussions with department heads regarding the use of old and nominal balances prior to using newer appropriations for the same purpose. The finance department is working on creating a policy for use of prior balances.

Town of Andover
FY 2020 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 11/30/2019 and 11/30/2018

Local Receipts	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Motor Vehicle Excise	5,826,858	708,297	12.2%	5,331,697	709,616	13.3%	495,161	(1,319)
Hotel/Motel/Meals	2,358,666	781,791	33.1%	2,250,205	779,126	34.6%	108,461	2,665
Penalties and Interest on Taxes and Excises	461,500	324,610	70.3%	326,345	283,690	86.9%	135,155	40,920
Fees	59,850	39,610	66.2%	82,813	17,029	20.6%	(22,963)	22,581
Payments in Lieu of Taxes	412,000	-	0.0%	382,000	-	0.0%	30,000	-
Other Departmental Revenues	250,950	70,348	28.0%	270,492	90,783	33.6%	(19,542)	(20,436)
Other Departmental Revenues - School Medicare	366,924	43,214	11.8%	353,279	53,940	15.3%	13,645	(10,726)
Non-Recurring Revenues	-	258,168	N/A	-	-	0.0%	-	258,168
Licenses and Permits	2,400,000	1,368,386	57.0%	2,832,111	1,009,784	35.7%	(432,111)	358,602
Fines & Forfeits	242,000	103,656	42.8%	275,000	108,558	39.5%	(33,000)	(4,902)
Investment Income	631,269	603,177	95.5%	146,100	276,541	189.3%	485,169	326,635
Total Estimated Receipts	13,010,017	4,301,255	33.1%	12,250,042	3,329,067	27.2%	759,975	972,188

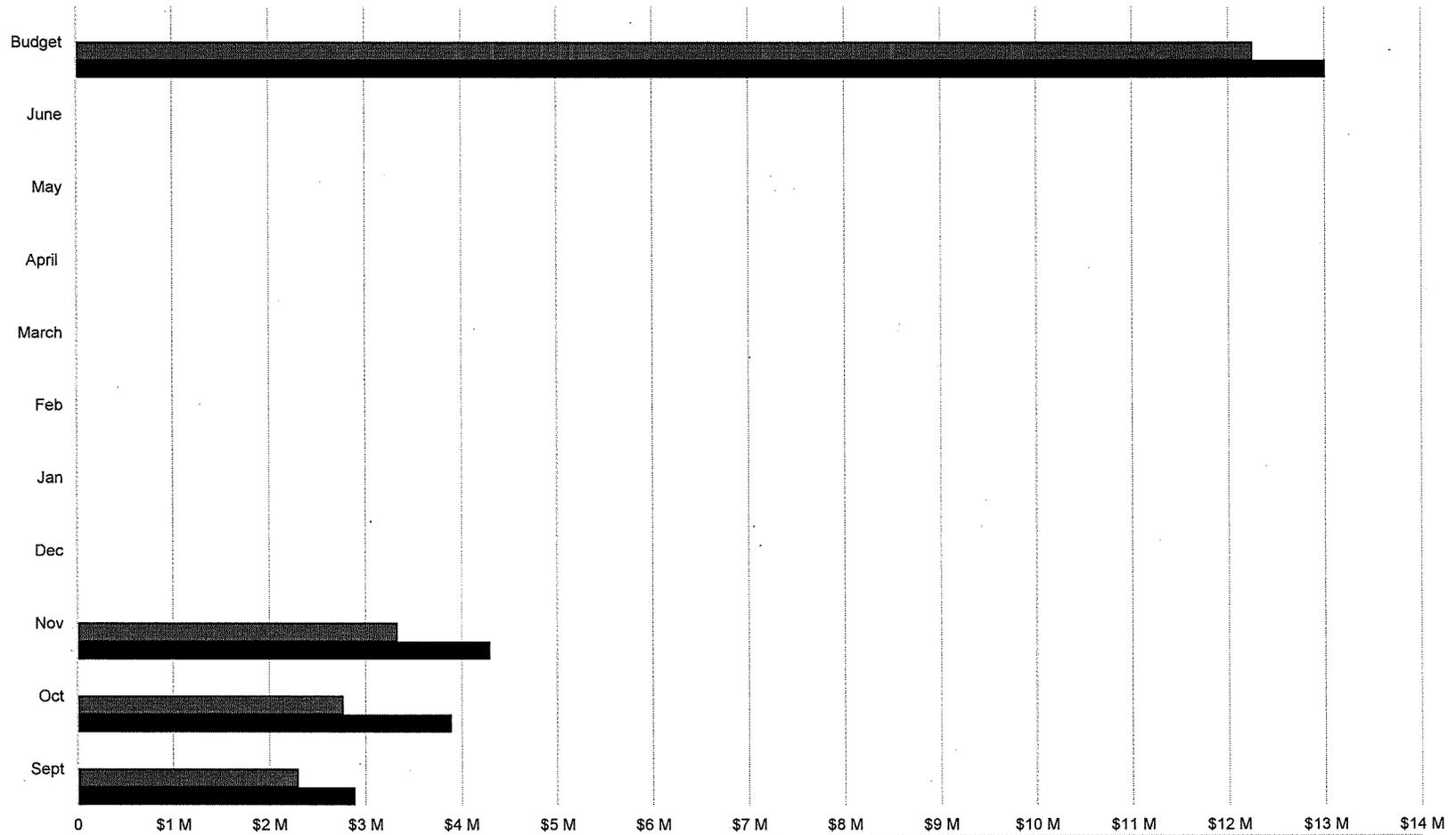
Off-Set Receipts	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Recreation	583,510	221,428	37.9%	583,510	255,111	43.7%	-	(33,683)
Elder Services	106,000	42,559	40.2%	106,000	38,828	36.6%	-	3,731
Public Facilities - Rental Receipts	80,000	42,073	52.6%	80,000	33,900	42.4%	-	8,173
Cemetery - Interment Fees	60,000	15,105	25.2%	60,000	30,901	51.5%	-	(15,796)
Public Safety - Police Detail Fees	90,000	27,936	31.0%	90,000	104,152	115.7%	-	(76,216)
Public Safety / Fire - Ambulance Receipts	1,350,000	584,548	43.3%	1,300,000	636,786	49.0%	50,000	(52,239)
Total Off-Set Receipts	2,269,510	933,649	41.1%	2,219,510	1,099,678	49.5%	50,000	(166,029)

Other Revenues	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Property Taxes (inc. Tax Titles)	148,337,563	73,310,971	49.4%	145,370,283	70,295,039	48.4%	2,967,280	3,015,933
State Aid	13,929,158	5,698,770	40.9%	12,783,980	4,309,542	33.7%	1,145,178	1,389,228
Total Other Revenues	162,266,721	79,009,741	48.7%	158,154,263	74,604,581	47.2%	4,112,458	4,405,161
Total Revenues	177,546,248	84,244,646	47.4%	172,623,815	79,033,326	45.8%	4,922,433	5,211,320

Town of Andover
FY 2020 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 11/30/2019 and 11/30/2018

	FY 20 Budgeted	FY 20 YTD	%	FY 19 Budgeted	FY 19 YTD	%	Change in	Change in
Water Fund	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
User Charges	8,511,201	3,914,443	46.0%	8,466,192	3,817,366	45.1%	45,009	97,077
Water Connection	41,000	40,328	98.4%	41,000	5,032	12.3%	-	35,296
Water Testing Fees	25,000	13,495	54.0%	22,000	10,180	46.3%	3,000	3,315
Meter Installations	9,000	7,245	80.5%	10,000	5,996	60.0%	(1,000)	1,249
Fire Flow Test	9,000	11,206	124.5%	9,000	12,185	135.4%	-	(979)
Special/Final Reads	25,000	11,096	44.4%	25,000	13,550	54.2%	-	(2,454)
Backflow/Cross Connection Fees	75,000	27,755	37.0%	75,000	16,250	21.7%	-	11,505
Water Tap	-	350	N/A	-	-	N/A	-	350
Liens	120,000	10,595	8.8%	120,000	18,916	15.8%	-	(8,321)
Fire Suppression	150,000	93,556	62.4%	150,000	104,819	69.9%	-	(11,263)
Interest /Misc Revenue	-	1,229	N/A	9,000	1,773	19.7%	(9,000)	(544)
Non-Revenue Interest	19,000	22,415	118.0%	19,000	12,746	67.1%	-	9,669
Total Water Receipts	8,984,201	4,153,713	46.2%	8,946,192	4,018,813	44.9%	38,009	134,900
Sewer Fund	FY 20 Budgeted	FY 20 YTD	%	FY 19 Budgeted	FY 19 YTD	%	Change in	Change in
	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
User Charges	4,841,042	1,577,041	32.6%	4,722,968	2,054,992	43.5%	118,074	(477,951)
Committed Interest/Income	235,000	5,286	2.2%	245,000	7,310	3.0%	(10,000)	(2,024)
Liens	90,000	8,045	8.9%	90,000	13,139	14.6%	-	(5,094)
Apport Assmnts	491,400	72,577	14.8%	519,000	74,627	14.4%	(27,600)	(2,050)
State Reimb/Grants	-	-	N/A	3,000	6,868	0.0%	(3,000)	(6,868)
Interest /Misc Revenue	-	1,789	N/A	9,000	2,402	26.7%	(9,000)	(613)
Non-Revenue Interest	45,046	13,957	31.0%	21,000	7,290	34.7%	24,046	6,667
Total Sewer Receipts	5,702,488	1,678,694	29.4%	5,609,968	2,166,628	38.6%	92,520	(487,934)
Total Enterprise Revenues	14,686,689	5,832,407	39.7%	14,556,160	6,185,441	42.49%	130,529	(353,034)

Town of Andover Local Receipts FY 2020 and FY 2019



	0	\$1 M	\$2 M	\$3 M	\$4 M	\$5 M	\$6 M	\$7 M	\$8 M	\$9 M	\$10 M	\$11 M	\$12 M	\$13 M	\$14 M
■ FY 2019 % of Budget	Sept	18.7%	22.6%	27.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Budget
■ FY 2020 % of Budget	Sept	22.2%	29.9%	33.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
■ FY 2019 Receipts	Sept	\$2,293,534	\$2,765,082	\$3,329,067											\$12,250,042
■ FY 2020 Receipts	Sept	\$2,892,582	\$3,894,456	\$4,301,255											\$13,010,017

Town of Andover
FY 2020 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 11/30/2019

	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	6,510,793	22,559	6,533,352	2,639,761	22,550	3,871,041	40.7%	40.4%
Community Services	1,735,271	435	1,735,706	801,682	-	934,024	46.2%	46.2%
Public Facilities	2,374,145	-	2,374,145	987,288	-	1,386,857	41.6%	41.6%
Public Safety - Fire	8,057,923	11,777	8,069,700	3,322,574	11,777	4,735,349	41.3%	41.2%
Public Safety - Police	7,722,156	12,456	7,734,612	3,108,207	12,453	4,613,952	40.3%	40.2%
Public Works	3,464,080	11,487	3,475,567	1,430,317	11,187	2,034,063	41.5%	41.2%
Library	2,177,076	-	2,177,076	859,556	-	1,317,520	39.5%	39.5%
School	70,166,040	-	70,166,040	19,017,154	49,306,938	1,841,948	97.4%	27.1%
Compensation Fund	590,000	-	590,000	-	-	590,000	0.0%	0.0%
Total Personal Services - General Fund	102,797,484	58,714	102,856,198	32,166,539	49,364,905	21,324,754	79.3%	31.3%
Water Enterprise	2,056,092	-	2,056,092	894,356	-	1,161,736	43.5%	43.5%
Sewer Enterprise	333,049	-	333,049	100,399	-	232,650	30.1%	30.1%
Total Personal Services - Enterprise Funds	2,389,141	-	2,389,141	994,755	-	1,394,386	41.6%	41.6%
Other Expenses								
General Government	2,160,275	167,817	2,328,092	1,067,486	455,298	805,308	65.4%	45.9%
Community Services	672,690	9,026	681,716	304,265	90,901	286,550	58.0%	44.6%
Public Facilities	1,398,600	222,771	1,621,371	437,646	549,864	633,861	60.9%	27.0%
Public Safety - Fire	527,150	28,863	556,013	212,392	140,453	203,168	63.5%	38.2%
Public Safety - Police	1,046,800	39,894	1,086,694	466,290	261,509	358,895	67.0%	42.9%
Public Works	5,272,339	532,637	5,804,976	1,811,104	1,396,977	2,596,895	55.3%	31.2%
Library	667,312	-	667,312	310,348	255,882	101,082	84.9%	46.5%
School	15,763,768	192,976	15,956,744	4,577,554	11,276,550	102,640	99.4%	28.7%
Technical Schools	647,149	-	647,149	274,087	400,359	(27,297)	104.2%	42.4%
Debt Service	15,149,625	-	15,149,625	8,812,529	-	6,337,096	58.2%	58.2%
Insurance	1,064,473	-	1,064,473	938,132	16,613	109,728	89.7%	88.1%
Health Insurance	21,340,842	-	21,340,842	5,021,711	-	16,319,131	23.5%	23.5%
Unemployment	160,000	-	160,000	54,177	1,950	103,873	35.1%	33.9%
Retirement	11,410,355	-	11,410,355	11,410,355	-	-	100.0%	100.0%
Reserve Fund	200,000	(60,000)	140,000	-	-	140,000	0.0%	0.0%
OPEB Appropriation	1,569,559	-	1,569,559	1,569,559	-	-	100.0%	100.0%
Total Other Expenses - General Fund	79,050,937	1,133,984	80,184,921	37,267,635	14,846,356	28,070,930	65.0%	46.5%
Water Enterprise	3,290,950	300,307	3,591,257	1,571,359	1,329,987	689,911	80.8%	43.8%
Sewer Enterprise	2,654,975	129,317	2,784,292	1,282,849	1,389,681	111,762	96.0%	46.1%
Total Other Expenses - Enterprise Funds	5,945,925	429,624	6,375,549	2,854,208	2,719,668	801,673	87.4%	44.8%
Total - General Fund	181,848,421	1,192,698	183,041,119	69,434,174	64,211,261	49,395,684	73.0%	37.9%
Total - Enterprise Funds	8,335,066	429,624	8,764,690	3,848,963	2,719,668	2,196,059	74.9%	43.9%

Town of Andover
FY 2020 Reserve Account and Compensation Fund
As of 11/30/19

RESERVE FUND

Appropriation by Vote of Town Meeting April 2019	\$ 200,000.00
Transfers by Vote of Town Meeting	0.00
Transfers by Authority of the Finance Committee	60,000.00
Available Balance	<u>\$ 140,000.00</u>

COMPENSATION FUND

Appropriation by Vote of Town Meeting April 2019	\$ 590,000.00
Transfers by Vote of Town Meeting	0.00
Transfer by Authority of the Select Board	0.00
Available Balance	<u>\$ 590,000.00</u>

Town of Andover
FY 2020 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 11/30/19

	CD & P Legal Notices Acct 5550	Library Lost/Damaged Materials Acct 5631	CD & P Health Services Clinics Acct 5557	Recreation Special Services Acct 5552	Youth Services Acct 5553	Facilities Field Maintenance Acct 5622	Elder Services Acct 5554	Police Antenna Uses Acct 5653	School Photocopy Fees Acct 4510	Facilities Compost Program Acct 5666	DPW Solid Waste Fees Acct 5667	CD & P Stormwater Management Acct 5668	Fire Emergency Billing Acct 5669	Health Services Inspections Acct 5670	DPW Sign Shop Acct 5670
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	0
Receipts thru 6/30/2019	21,135	4,474	46,933	730,240	405,283	88,502	159,243	6,742	6,283	20,747	32,852	0	22,400	54,270	0
Expenditures thru 6/30/2019	20,812	452	49,617	683,717	425,005	80,724	161,340	0	0	14,914	8,059	0	23,197	28,943	0
Balance thru 6/30/2019	14,640	17,958	41,618	421,752	250,919	118,492	192,812	33,049	20,916	30,806	47,282	0	35,428	64,272	0
Receipts thru 11/30/2019	8,360	1,284	10,513	355,416	117,178	33,020	55,939	2,837	2,008	5,491	5,329	0	8,401	18,735	0
Expenditures thru 11/30/2019	8,321	1,481	17,570	390,174	140,081	49,708	52,439	0	0	6,120	0	0	1,260	3,190	0
Balance thru 11/30/2019	14,680	17,762	34,560	386,993	228,017	101,804	196,312	35,885	22,924	30,177	52,611	0	42,569	79,818	0

Spending Authorization Art 16 - ATM 19	\$30,000	\$20,000	\$60,000	\$625,000	\$500,000	\$150,000	\$225,000	\$50,000	\$15,000	\$60,000	\$40,000	\$5,000	\$100,000	\$100,000	\$10,000
Y-T-D % Spent	27.74%	7.40%	29.28%	62.43%	28.02%	33.14%	23.31%	0.00%	0.00%	10.20%	0.00%	0.00%	1.26%	3.19%	0.00%

**Town of Andover
Capital Projects
11/30/2019**

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>Total Available</u>	
Budget	912,500	1,003,000	1,040,000	1,078,000	1,120,000	1,495,643	1,040,000	1,011,600		
Expended	912,500	1,003,000	1,037,364	1,075,010	1,116,870	1,444,441	837,277	285,463		
Encumbered	-	-	170	2,990	-	42,519	91,752	101,532		
Total School CIP	Available	-	-	2,466	0	3,130	8,683	110,971	624,605	749,855
Budget	145,000	70,000	85,000	112,000	222,000	579,018	487,000	1,044,098		
Expended	135,237	70,000	60,095	65,900	157,061	550,755	350,839	73,280		
Encumbered	-	-	9,905	-	-	13,050	38,630	72,550		
Total General Government CIP	Available	9,763	-	15,000	46,100	64,939	15,213	97,531	898,267	1,146,813
Budget	-	-	62,000	-	-	32,214	-	-		
Expended	-	-	39,976	-	-	28,601	-	-		
Encumbered	-	-	-	-	-	-	-	-		
Total Youth Services CIP	Available	-	-	22,024	-	-	3,613	-	-	25,637
Budget	25,000	21,100	17,000	70,000	50,000	-	-	-		
Expended	25,000	21,100	17,000	66,873	50,000	-	-	-		
Encumbered	-	-	-	-	-	-	-	-		
Total Recreation CIP	Available	-	-	-	3,127	-	-	-	-	3,127
Budget	65,000	79,000	50,000	25,000	25,000	-	-	10,000		
Expended	65,000	79,000	50,000	20,933	23,423	-	-	-		
Encumbered	-	-	-	3,763	-	-	-	-		
Total Library CIP	Available	-	-	-	304	1,577	-	-	10,000	11,882
Budget	375,000	589,400	550,000	590,000	623,000	800,000	946,000	1,303,000		
Expended	375,000	589,400	550,000	588,336	612,356	752,510	609,989.83	30,250.54		
Encumbered	-	-	-	-	5,217	14,037	190,586.65	90,163.98		
Total Facilities CIP	Available	-	-	-	1,664	5,427	33,453	145,424	1,182,585	1,368,553
Budget	225,500	215,500	231,000	285,000	195,000	293,500	250,077	195,000		
Expended	225,500	215,500	205,153	281,849	195,000	293,400	202,374	-		
Encumbered	-	-	-	-	-	-	-	-		
Total Police CIP	Available	-	-	25,847	3,151	-	100	47,703	195,000	271,801
Budget	82,000	142,000	129,000	50,000	20,000	63,500	214,000	-		
Expended	66,800	142,000	66,930	37,332	16,623	61,352	71,715	-		
Encumbered	15,200	-	3,525	-	-	-	-	-		
Total Fire CIP	Available	-	-	58,545	12,668	3,378	2,148	142,285	-	219,024
Budget	190,000	160,000	206,000	240,000	285,000	415,000	328,000	400,000		
Expended	187,077	152,895	205,813	233,375	225,018	338,541	210,406	16,660		
Encumbered	-	6,105	187	6,625	1,082	30,326	21,544	183,340		
Total DPW CIP	Available	2,923	1,000	-	-	58,900	46,132	96,050	200,000	405,005
Budget	1,107,500	1,277,000	1,330,000	1,372,000	1,420,000	2,183,232	2,225,077	2,952,098		
Expended	1,079,614	1,269,895	1,194,967	1,294,597	1,279,479	2,025,159	1,445,324	120,191		
Encumbered	15,200	6,105	13,617	10,388	6,300	57,414	250,761	346,054		
Total Town CIP	Available	12,685	1,000	121,416	67,015	134,221	100,659	528,993	2,485,853	3,451,842
Budget	2,020,000	2,280,000	2,370,000	2,450,000	2,540,000	3,678,875	3,265,077	3,963,698		
Expended	1,992,115	2,272,895	2,232,330	2,369,607	2,396,350	3,469,601	2,282,601	405,654		
Encumbered	15,200	6,105	13,787	13,378	6,300	99,932	342,512	447,587		
Grand Total	Available	12,685	1,000	123,882	67,015	137,351	109,342	639,964	3,110,458	4,201,697