



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: 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: February 6, 2020

Re: ***FY 2020 Financials***

The attached reports summarize the Town's financial position through December 31, 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 December 31, 2019.

General Fund

The total general fund receipts of all sources collected through December 31, 2019 are in line with the annual projections through the first half of the year. FY2020 local receipts are approximately \$1,056,000 greater than FY 2019 collections through the same period of time. This large increase is primarily due to two large building permits, a FEMA receipt and investment income. 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 December 2019. The required appropriation for pension, as well as the \$300,000 additional appropriation, was paid in full in August. The school's expenditures plus encumbrances is over budget for other expenses, but it under when compared with personal services. The technical schools required contribution is slightly higher than the appropriation, because this number is estimated at Town Meeting.

Water Enterprise Fund

The total water enterprise fund collections are exceeding the annual projections through December 2019 due to timing of receipts. Water personal services and other expenditures are both also consistent with FY 2020 projections through December 2019.

Sewer Enterprise Fund

The sewer enterprise fund user charges collections are in line with the annual projections through December 2019. All other sewer fund collections are consistent with the prior year. Sewer personal services are lower than FY2020 projections and other expenditures are consistent with the FY 2020 projections through December 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 December 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 with department heads to close balances that are no longer needed.

Town of Andover
FY 2020 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 12/31/2019 and 12/31/2018

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	824,994	14.2%	5,331,697	815,117	15.3%	495,161	9,877
Hotel/Motel/Meals	2,358,666	1,567,668	66.5%	2,250,205	1,651,398	73.4%	108,461	(83,730)
Penalties and Interest on Taxes and Excises	461,500	347,079	75.2%	326,345	304,838	93.4%	135,155	42,241
Fees	59,850	40,330	67.4%	82,813	24,469	29.5%	(22,963)	15,861
Payments in Lieu of Taxes	412,000	-	0.0%	382,000	-	0.0%	30,000	-
Other Departmental Revenues	250,950	88,629	35.3%	270,492	100,456	37.1%	(19,542)	(11,827)
Other Departmental Revenues - School Medicare	366,924	43,214	11.8%	353,279	134,291	38.0%	13,645	(91,077)
Non-Recurring Revenues	-	463,865	N/A	-	-	0.0%	-	463,865
Licenses and Permits	2,400,000	1,663,043	69.3%	2,832,111	1,294,701	45.7%	(432,111)	368,342
Fines & Forfeits	242,000	125,083	51.7%	275,000	128,729	46.8%	(33,000)	(3,646)
Investment Income	631,269	684,534	108.4%	146,100	338,644	231.8%	485,169	345,890
Total Estimated Receipts	13,010,017	5,848,439	45.0%	12,250,042	4,792,643	39.1%	759,975	1,055,796

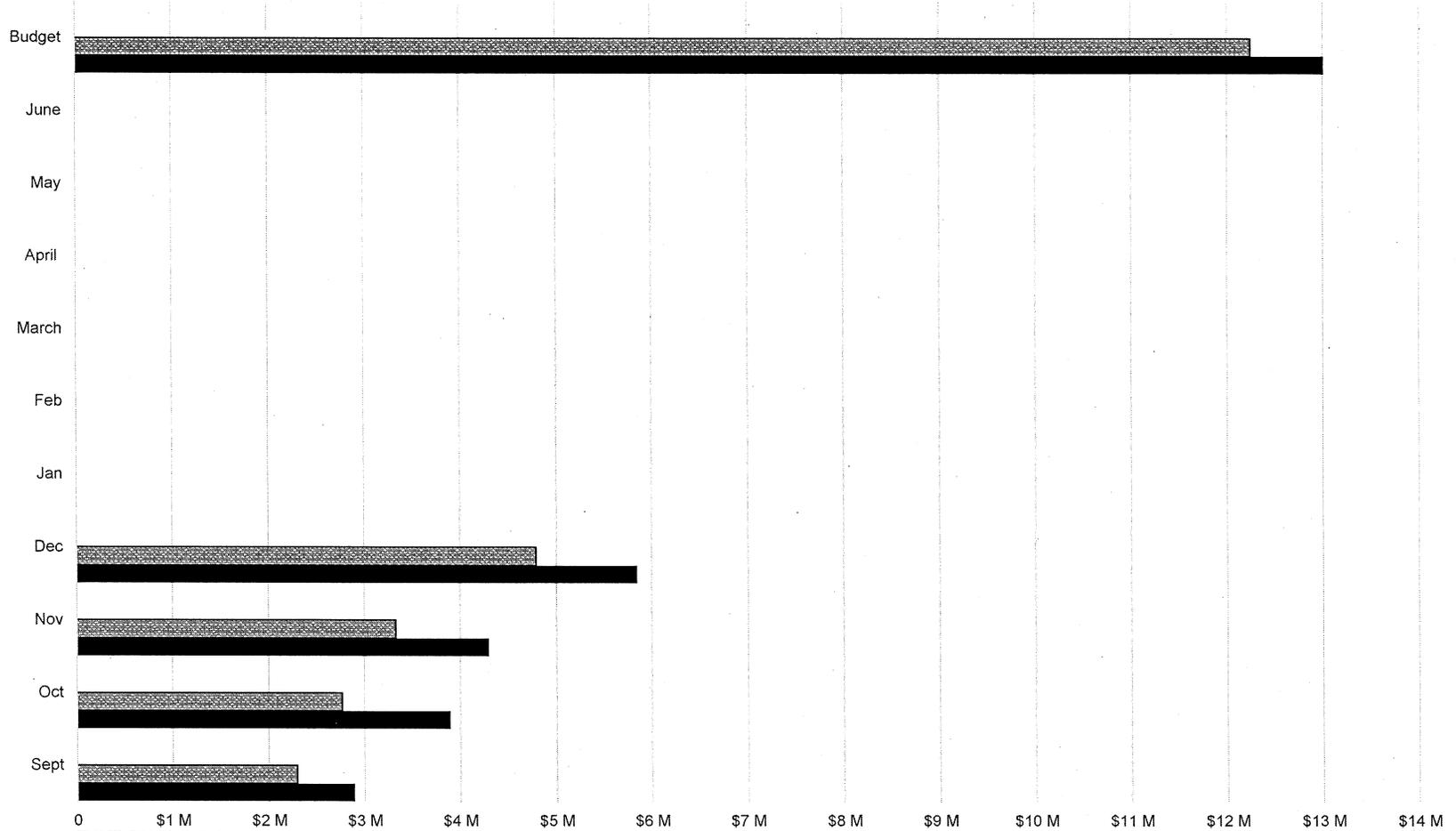
Off-Set Receipts	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Recreation	583,510	221,229	37.9%	583,510	255,111	43.7%	-	(33,882)
Elder Services	106,000	58,034	54.7%	106,000	48,674	45.9%	-	9,360
Public Facilities - Rental Receipts	80,000	42,825	53.5%	80,000	36,806	46.0%	-	6,019
Cemetery - Interment Fees	60,000	36,751	61.3%	60,000	33,634	56.1%	-	3,117
Public Safety - Police Detail Fees	90,000	36,109	40.1%	90,000	130,814	145.3%	-	(94,705)
Public Safety / Fire - Ambulance Receipts	1,350,000	703,823	52.1%	1,300,000	764,178	58.8%	50,000	(60,355)
Total Off-Set Receipts	2,269,510	1,098,771	48.4%	2,219,510	1,269,217	57.2%	50,000	(170,446)

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	73,488,877	49.5%	145,370,283	71,068,530	48.9%	2,967,280	2,420,347
State Aid	13,929,158	6,855,225	49.2%	12,783,980	6,429,078	50.3%	1,145,178	426,147
Total Other Revenues	162,266,721	80,344,102	49.5%	158,154,263	77,497,608	49.0%	4,112,458	2,846,494
Total Revenues	177,546,248	87,291,312	49.2%	172,623,815	83,559,468	48.4%	4,922,433	3,731,844

Town of Andover
FY 2020 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 12/31/2019 and 12/31/2018

Water Fund	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
User Charges	8,511,201	5,237,024	61.5%	8,466,192	4,521,116	53.4%	45,009	715,908
Water Connection	41,000	40,957	99.9%	41,000	5,032	12.3%	-	35,925
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	6,446	64.5%	(1,000)	799
Fire Flow Test	9,000	11,206	124.5%	9,000	13,685	152.1%	-	(2,479)
Special/Final Reads	25,000	16,741	67.0%	25,000	15,250	61.0%	-	1,491
Backflow/Cross Connection Fees	75,000	33,475	44.6%	75,000	37,245	49.7%	-	(3,770)
Water Tap	-	350	N/A	-	300	N/A	-	50
Liens	120,000	10,946	9.1%	120,000	21,642	18.0%	-	(10,696)
Fire Suppression	150,000	126,437	84.3%	150,000	135,484	90.3%	-	(9,047)
Interest /Misc Revenue	-	1,358	N/A	9,000	1,773	19.7%	(9,000)	(415)
Non-Revenue Interest	19,000	41,846	220.2%	19,000	30,121	158.5%	-	11,725
Total Water Receipts	8,984,201	5,541,080	61.7%	8,946,192	4,798,274	53.6%	38,009	742,806
Sewer Fund	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
User Charges	4,841,042	2,378,117	49.1%	4,722,968	2,536,499	53.7%	118,074	(158,382)
Committed Interest/Income	235,000	18,480	7.9%	245,000	17,441	7.1%	(10,000)	1,039
Liens	90,000	8,743	9.7%	90,000	14,003	15.6%	-	(5,260)
Apport Assmnts	491,400	90,630	18.4%	519,000	84,652	16.3%	(27,600)	5,978
State Reimb/Grants	-	-	N/A	3,000	6,868	0.0%	(3,000)	(6,868)
Interest /Misc Revenue	-	1,793	N/A	9,000	2,407	26.7%	(9,000)	(614)
Non-Revenue Interest	45,046	26,162	58.1%	21,000	17,077	81.3%	24,046	9,085
Total Sewer Receipts	5,702,488	2,523,925	44.3%	5,609,968	2,678,947	47.8%	92,520	(155,022)
Total Enterprise Revenues	14,686,689	8,065,005	54.9%	14,556,160	7,477,221	51.37%	130,529	587,784

Town of Andover Local Receipts FY 2020 and FY 2019



	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget
■ FY 2019 % of Budget	18.7%	22.6%	27.2%	39.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
■ FY 2020 % of Budget	22.2%	29.9%	33.1%	45.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
■ FY 2019 Receipts	\$2,293,534	\$2,765,082	\$3,329,067	\$4,792,643							\$12,250,042
■ FY 2020 Receipts	\$2,892,582	\$3,894,456	\$4,301,255	\$5,848,439							\$13,010,017

Town of Andover
FY 2020 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 12/31/2019

	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	3,090,346	22,550	3,420,456	47.6%	47.3%
Community Services	1,735,271	435	1,735,706	898,239	-	837,467	51.8%	51.8%
Public Facilities	2,374,145	-	2,374,145	1,166,948	-	1,207,197	49.2%	49.2%
Public Safety - Fire	8,057,923	11,777	8,069,700	4,104,730	11,777	3,953,193	51.0%	50.9%
Public Safety - Police	7,722,156	12,456	7,734,612	3,632,419	12,453	4,089,740	47.1%	47.0%
Public Works	3,464,080	11,487	3,475,567	1,777,411	11,187	1,686,969	51.5%	51.1%
Library	2,177,076	-	2,177,076	1,025,006	-	1,152,070	47.1%	47.1%
School	70,166,040	-	70,166,040	24,729,145	41,390,394	4,046,501	94.2%	35.2%
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	40,424,244	41,448,361	20,983,593	79.6%	39.3%
Water Enterprise	2,056,092	-	2,056,092	1,099,565	-	956,527	53.5%	53.5%
Sewer Enterprise	333,049	-	333,049	118,435	-	214,614	35.6%	35.6%
Total Personal Services - Enterprise Funds	2,389,141	-	2,389,141	1,218,000	-	1,171,141	51.0%	51.0%
Other Expenses								
General Government	2,160,275	167,817	2,328,092	1,225,858	420,734	681,500	70.7%	52.7%
Community Services	672,690	9,026	681,716	352,889	76,557	252,270	63.0%	51.8%
Public Facilities	1,398,600	222,771	1,621,371	574,077	452,348	594,946	63.3%	35.4%
Public Safety - Fire	527,150	28,863	556,013	234,201	131,230	190,582	65.7%	42.1%
Public Safety - Police	1,046,800	39,894	1,086,694	521,124	251,310	314,260	71.1%	48.0%
Public Works	5,272,339	532,637	5,804,976	2,384,622	1,187,711	2,232,643	61.5%	41.1%
Library	667,312	-	667,312	339,900	233,737	93,675	86.0%	50.9%
School	15,763,768	192,976	15,956,744	6,276,375	9,882,816	(202,447)	101.3%	39.3%
Technical Schools	647,149	-	647,149	337,010	337,436	(27,297)	104.2%	52.1%
Debt Service	15,149,625	-	15,149,625	8,932,957	-	6,216,668	59.0%	59.0%
Insurance	1,064,473	-	1,064,473	941,415	13,330	109,728	89.7%	88.4%
Health Insurance	21,340,842	-	21,340,842	5,708,509	-	15,632,333	26.7%	26.7%
Unemployment	160,000	-	160,000	98,557	1,950	59,493	62.8%	61.6%
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	40,907,408	12,989,159	26,288,354	67.2%	51.0%
Water Enterprise	3,290,950	300,307	3,591,257	1,779,813	1,220,303	591,141	83.5%	49.6%
Sewer Enterprise	2,654,975	129,317	2,784,292	1,298,837	1,375,185	110,270	96.0%	46.6%
Total Other Expenses - Enterprise Funds	5,945,925	429,624	6,375,549	3,078,650	2,595,488	701,411	89.0%	48.3%
Total - General Fund	181,848,421	1,192,698	183,041,119	81,331,652	54,437,520	47,271,947	74.2%	44.4%
Total - Enterprise Funds	8,335,066	429,624	8,764,690	4,296,650	2,595,488	1,872,552	78.6%	49.0%

Town of Andover
FY 2020 Reserve Account and Compensation Fund
As of 12/31/19

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 12/31/19

	CD & P Legal Notices	Library Lost/Damaged Materials	CD & P Health Services Clinics	Recreation Special Services	Youth Services	Facilities Field Maintenance	Elder Services	Police Antenna Uses	School Photocopy Fees	Facilities Compost Program	DPW Solid Waste Fees	CD & P Stormwater Management	Fire Emergency Billing	Health Services Inspections	DPW Sign Shop
	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	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 12/31/2019	9,200	1,933	11,267	409,026	222,479	33,020	71,008	3,404	2,901	5,491	5,329	0	12,826	47,460	0
Expenditures thru 12/31/2019	10,206	1,571	45,992	446,908	170,241	49,720	65,121	0	0	6,120	0	0	35,260	3,190	0
Balance thru 12/31/2019	13,634	18,320	6,893	383,870	303,157	101,792	198,699	36,453	23,818	30,177	52,611	0	12,994	108,542	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	34.02%	7.86%	76.65%	71.51%	34.05%	33.15%	28.94%	0.00%	0.00%	10.20%	0.00%	0.00%	35.26%	3.19%	0.00%

**Town of Andover
Capital Projects
12/31/2019**

	<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	1,037,534	1,076,281	1,116,870	1,460,037	892,976	306,279		
Encumbered	-	-	-	1,719	574	26,923	53,913	223,715		
Total School CIP	Available	-	-	2,466	-	2,556	8,683	93,111	481,606	588,422
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	355,839	73,280		
Encumbered	-	-	9,905	-	-	13,050	33,630	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	762,192	709,489.87	57,201.82		
Encumbered	-	-	-	-	5,217	4,355	95,853.87	91,677.58		
Total Facilities CIP	Available	-	-	-	1,664	5,427	33,453	140,656	1,154,121	1,335,321
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	82,000	142,000	70,455	37,332	16,623	61,352	71,715	-		
Encumbered	-	-	-	-	-	-	-	-		
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	67,322		
Encumbered	-	6,105	187	6,625	1,082	30,326	21,544	132,678		
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	1,094,815	1,269,895	1,198,492	1,294,597	1,279,479	2,034,841	1,549,824	197,805		
Encumbered	-	6,105	10,092	10,388	6,300	47,732	151,028	296,905		
Total Town CIP	Available	12,685	1,000	121,416	67,015	134,221	100,659	524,225	2,457,388	3,418,610
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	2,007,315	2,272,895	2,236,025	2,370,878	2,396,350	3,494,878	2,442,800	504,084		
Encumbered	-	6,105	10,092	12,107	6,874	74,655	204,941	520,620		
Grand Total	Available	12,685	1,000	123,882	67,015	136,777	109,342	617,336	2,938,994	4,007,032