



TOWN OF ANDOVER *Finance & Budget*

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Andrew P. Flanagan
Town Manager

Michael Lindstrom
Deputy Town Manager

To: Select Board
Finance Committee
Superintendent of Schools
School Committee
Revenue and Expenditure Task Force

From: Hayley Green, Town Accountant/Assistant Finance Director

CC: Andrew Flanagan, Michael Lindstrom, Patrick Lawlor, Donna Walsh, Stephen Nembirkow,
Janet Wright, Jared Mullane, Town Website

Date: December 11, 2020

Re: ***FY 2020 Financials***

The attached reports summarize the Town's financial position through October 31, 2020. 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 – FY15 – FY21

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

The attached reports of the Town Accountant summarize FY 2021 revenues and expenditures for the General Fund, Enterprise Funds, Compensation Fund, Reserve Fund, Revolving Funds and Capital Projects through October 31, 2020.

General Fund

The total general fund receipts of all sources collected through October 31, 2020 are in line with the annual projections through the first quarter of the year. However, FY2021 local receipts are approximately \$1.56 million less than FY 2020 collections through the same period of time. Last year by this time we had one large building permit for \$416,000 and more cash available from the Columbia Gas Settlement to earn investment income. There was also a delay in the State sending hotel, motel and meals receipts in FY2021 and the Town received a FEMA receipt of \$258,000 from a prior snowstorm in October. Off-set receipts collections are lower than collections through the same period of time last fiscal year mainly due to lower ambulance collections, summer recreation programs and rental of town spaces.

General fund personal services and other expenditures are both consistent with FY 2021 projections through October 2020. The school encumbers most of their projected salaries at the beginning of the fiscal year and makes adjustments during the school year as they determine where staff will be funded. The required appropriation for pension was paid in full in August and workers compensation insurance changed to a premium based plan in FY2021.

Water Enterprise Fund

The total water enterprise fund collections are better than the annual projections through October 2020, with user charges being \$1.7 million greater than prior year receipts through the same period, due to the drier weather conditions increasing usage. Water personal services are also consistent with FY 2021 projections through October 2020. Water other expenses are greater than FY2021 projections due to the increased volume of water services causing an increased demand for supplies such as electricity and chemicals.

Sewer Enterprise Fund

The total sewer enterprise fund collections are consistent with projections through October 2020 and user charges are \$591,794 greater than prior year receipts through the same period. Sewer personal services and other expenses are consistent with the FY 2021 projections through October 2020.

Reserve Fund

Town Meeting approved a reserve fund balance of \$200,000. This money has not been used through October 2020.

Compensation Fund

Town Meeting approved a compensation fund balance of \$174,718. This money has not been used through October 2020.

Revolving Accounts

Town Meeting voted to approve 15 revolving funds with a total spending limit of \$1,915,000.

Capital Projects

These projects are part of the Town's capital improvement plan voted at Town Meeting from taxation. The finance department is working on creating a policy for use of old and nominal balances from prior years.

Town of Andover
FY 2021 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 10/31/2020 and 10/31/2019

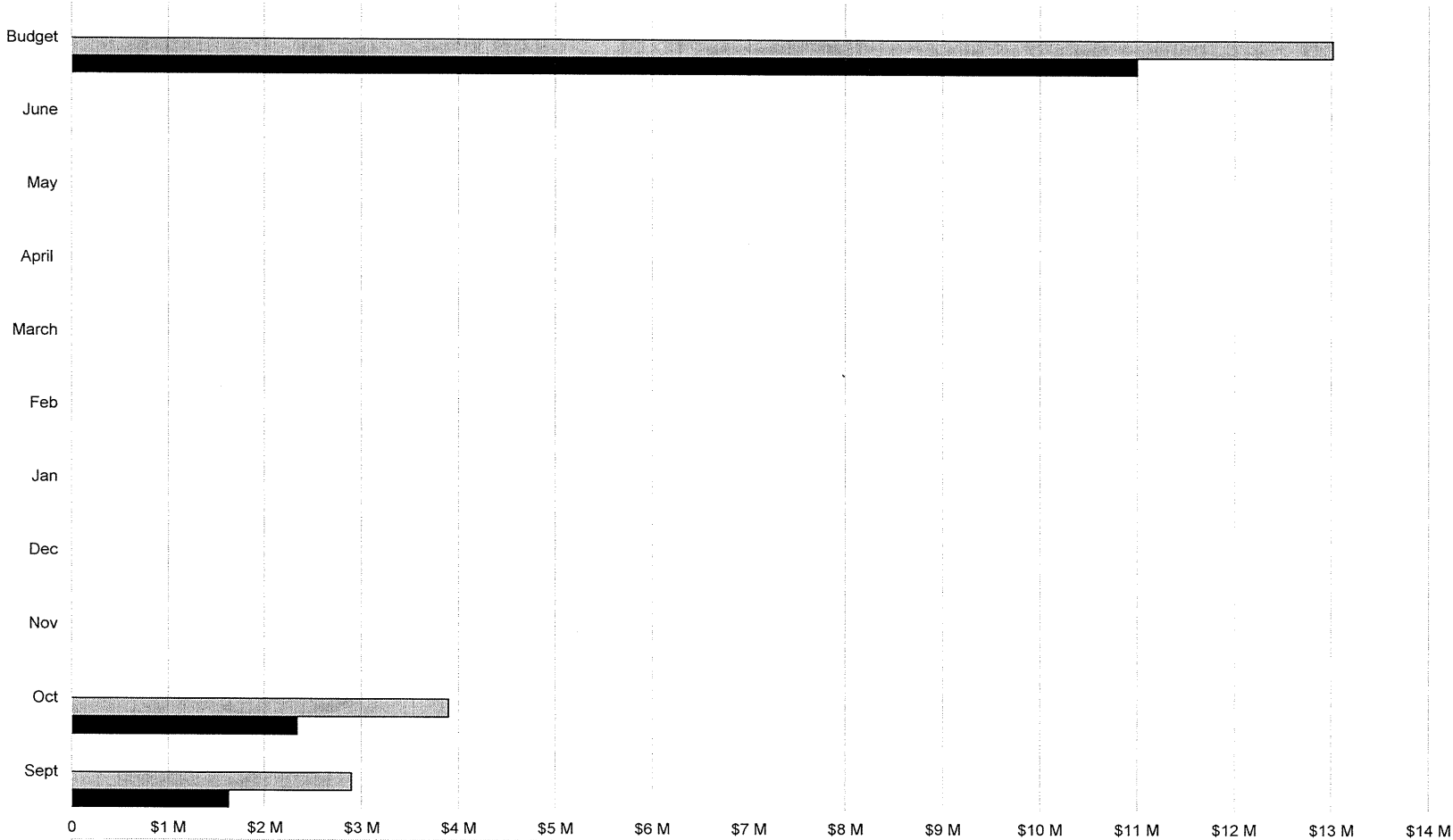
	FY 21 Budgeted	FY 21 YTD	%	FY 20 Budgeted	FY 20 YTD	%	Change in	Change in
Local Receipts	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Motor Vehicle Excise	5,245,856	600,279	11.4%	5,826,858	624,007	10.7%	(581,002)	(23,728)
Hotel/Motel/Meals	1,769,000	364,239	20.6%	2,358,666	781,791	33.1%	(589,666)	(417,552)
Penalties and Interest on Taxes and Excises	480,000	181,699	37.9%	461,500	288,226	62.5%	18,500	(106,527)
Fees	61,000	26,780	43.9%	59,850	38,495	64.3%	1,150	(11,715)
Payments in Lieu of Taxes	430,000	-	0.0%	412,000	-	0.0%	18,000	-
Other Departmental Revenues	300,000	110,568	36.9%	250,950	317,272	126.4%	49,050	(206,704)
Other Departmental Revenues - School Medicare	180,000	49,671	27.6%	366,924	43,214	11.8%	(186,924)	6,457
Licenses and Permits	1,903,505	829,718	43.6%	2,400,000	1,223,318	51.0%	(496,495)	(393,600)
Fines & Forfeits	227,000	51,631	22.7%	242,000	79,314	32.8%	(15,000)	(27,683)
Investment Income	414,862	124,089	29.9%	631,269	498,820	79.0%	(216,407)	(374,731)
Total Estimated Receipts	11,011,223	2,338,674	21.2%	13,010,017	3,894,457	29.9%	(1,998,794)	(1,555,783)
	FY 21 Budgeted	FY 21 YTD	%	FY 20 Budgeted	FY 20 YTD	%	Change in	Change in
Off-Set Receipts	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Recreation	593,510	152,655	25.7%	583,510	192,187	32.9%	10,000	(39,532)
Elder Services	106,000	41,284	38.9%	106,000	35,748	33.7%	-	5,536
Public Facilities - Rental Receipts	80,000	2,785	3.5%	80,000	33,257	41.6%	-	(30,472)
Cemetery - Interment Fees	60,000	23,210	38.7%	60,000	11,172	18.6%	-	12,038
Public Safety - Police Detail Fees	90,000	9,848	10.9%	90,000	20,130	22.4%	-	(10,282)
Public Safety / Fire - Ambulance Receipts	1,350,000	361,404	26.8%	1,350,000	459,796	34.1%	-	(98,392)
Total Off-Set Receipts	2,279,510	591,186	25.9%	2,269,510	752,290	33.1%	10,000	(161,104)
	FY 21 Budgeted	FY 21 YTD	%	FY 20 Budgeted	FY 20 YTD	%	Change in	Change in
Other Revenues	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Property Taxes (inc. Tax Titles)	159,456,444	70,656,588	44.3%	151,611,876	70,197,963	46.3%	7,844,568	458,625
State Aid	13,939,807	4,619,537	33.1%	13,929,158	4,627,624	33.2%	10,649	(8,087)
Total Other Revenues	173,396,251	75,276,125	43.4%	165,541,034	74,825,587	45.2%	7,855,217	450,538
Total Revenues	186,686,984	78,205,985	41.9%	180,820,561	79,472,334	44.0%	5,866,423	(1,266,349)

Town of Andover
FY 2021 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 10/31/2020 and 10/31/2019

Water Fund	FY 21 Budgeted Receipts	FY 21 YTD Revenues	% Collected	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	9,567,598	4,999,272	52.3%	8,511,201	3,252,507	38.2%	1,056,397	1,746,765
Water Connection	41,000	26,418	64.4%	41,000	39,699	96.8%	-	(13,281)
Water Testing Fees	22,000	7,175	32.6%	25,000	13,495	54.0%	(3,000)	(6,320)
Meter Installations	10,000	8,550	85.5%	9,000	5,220	58.0%	1,000	3,330
Fire Flow Test	9,000	3,500	38.9%	9,000	11,206	124.5%	-	(7,706)
Special/Final Reads	25,000	29,072	116.3%	25,000	12,967	51.9%	-	16,105
Backflow/Cross Connection Fees	75,000	3,900	5.2%	75,000	195	0.3%	-	3,705
Water Tap	-	450	N/A	-	350	N/A	-	100
Liens	120,000	15,008	12.5%	120,000	9,037	7.5%	-	5,971
Fire Suppression	220,000	92,021	41.8%	150,000	77,397	51.6%	70,000	14,624
Interest /Misc Revenue	12,000	14,410	120.1%	-	1,065	N/A	12,000	13,345
Non-Revenue Interest	16,000	4,335	27.1%	19,000	22,415	118.0%	(3,000)	(18,080)
Total Water Receipts	10,117,598	5,204,111	51.4%	8,984,201	3,445,553	38.4%	1,133,397	1,758,558

Sewer Fund	FY 21 Budgeted Receipts	FY 21 YTD Revenues	% Collected	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	4,962,068	1,876,690	37.8%	4,841,042	1,407,265	29.1%	121,026	469,425
Committed Interest/Income	170,000	15,929	9.4%	235,000	5,118	2.2%	(65,000)	10,811
Liens	55,000	11,955	21.7%	90,000	6,068	6.7%	(35,000)	5,887
Apport Assmnts	445,000	52,293	11.8%	491,400	72,327	14.7%	(46,400)	(20,034)
Interest /Misc Revenue	-	1,250	N/A	-	1,562	N/A	-	(312)
Non-Revenue Interest	48,000	3,312	6.9%	45,046	13,957	31.0%	2,954	(10,645)
Total Sewer Receipts	5,680,068	1,961,429	34.5%	5,702,488	1,506,297	26.4%	(22,420)	455,132
Total Enterprise Revenues	15,797,666	7,165,540	45.4%	14,686,689	4,951,850	33.72%	1,110,977	2,213,690

Town of Andover Local Receipts FY 2021 and FY 2020



	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
	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget				
■ FY 2020 % of Budget	22.2%	29.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
■ FY 2021 % of Budget	14.8%	21.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
■ FY 2020 Receipts	\$2,892,581	\$3,894,457													\$13,010,017
■ FY 2021 Receipts	\$1,634,729	\$2,338,674													\$11,011,223

Town of Andover
FY 2021 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 10/31/2020

Personal Services	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
General Government	6,950,662	26,831	6,977,493	2,153,258	26,831	4,797,404	31.2%	30.9%
Community Services	1,808,992	-	1,808,992	702,138	-	1,106,854	38.8%	38.8%
Public Facilities	2,453,849	-	2,453,849	728,557	-	1,725,292	29.7%	29.7%
Public Safety - Fire	8,431,428	14,115	8,445,543	2,724,162	14,115	5,707,266	32.4%	32.3%
Public Safety - Police	7,966,037	14,839	7,980,876	2,469,512	14,839	5,496,525	31.1%	30.9%
Public Works	3,720,378	13,491	3,733,869	1,141,515	13,491	2,578,863	30.9%	30.6%
Library	2,255,543	-	2,255,543	676,055	-	1,579,488	30.0%	30.0%
School	72,080,761	-	72,080,761	13,162,639	55,304,288	3,613,834	95.0%	18.3%
Compensation Fund	174,718	-	174,718	-	-	174,718	0.0%	0.0%
Total Personal Services - General Fund	105,842,368	69,276	105,911,644	23,757,836	55,373,564	26,780,244	74.7%	22.4%
Water Enterprise	2,178,805	-	2,178,805	800,094	-	1,378,711	36.7%	36.7%
Sewer Enterprise	346,903	-	346,903	108,387	-	238,516	31.2%	31.2%
Total Personal Services - Enterprise Funds	2,525,708	-	2,525,708	908,481	-	1,617,227	36.0%	36.0%
Other Expenses	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
General Government	2,176,126	200,773	2,376,899	868,991	431,940	1,075,968	54.7%	36.6%
Community Services	680,691	49,221	729,912	93,673	78,803	557,436	23.6%	12.8%
Public Facilities	1,375,450	24,366	1,399,816	236,108	505,175	658,533	53.0%	16.9%
Public Safety - Fire	547,150	41,944	589,094	211,185	315,680	62,229	89.4%	35.8%
Public Safety - Police	1,030,300	52,566	1,082,866	288,051	129,454	665,361	38.6%	26.6%
Public Works	5,635,948	592,513	6,228,461	1,539,678	1,513,451	3,175,332	49.0%	24.7%
Library	659,987	5,506	665,493	249,504	247,574	168,415	74.7%	37.5%
School	17,165,939	530,942	17,696,881	3,851,632	7,438,964	6,406,285	63.8%	21.8%
Technical Schools	740,000	-	740,000	152,312	456,936	130,752	82.3%	20.6%
Debt Service	16,873,972	-	16,873,972	5,789,186	-	11,084,786	34.3%	34.3%
Insurance	1,225,921	-	1,225,921	1,011,332	20,000	194,589	84.1%	82.5%
Health Insurance	22,338,257	-	22,338,257	4,199,207	-	18,139,050	18.8%	18.8%
Unemployment	160,000	33,704	193,704	975	36,629	156,100	19.4%	0.5%
Retirement	13,610,301	-	13,610,301	13,610,301	-	-	100.0%	100.0%
Reserve Fund	200,000	-	200,000	-	-	200,000	0.0%	0.0%
OPEB Appropriation	1,631,003	-	1,631,003	-	-	1,631,003	0.0%	0.0%
Total Other Expenses - General Fund	86,051,045	1,531,535	87,582,580	32,102,135	11,174,606	44,305,839	49.4%	36.7%
Water Enterprise	3,323,000	1,428,193	4,751,193	2,215,522	1,725,982	809,689	83.0%	46.6%
Sewer Enterprise	2,842,076	291,527	3,133,603	827,879	1,920,612	385,112	87.7%	26.4%
Total Other Expenses - Enterprise Funds	6,165,076	1,719,720	7,884,796	3,043,401	3,646,594	1,194,801	84.8%	38.6%
Total - General Fund	191,893,413	1,600,811	193,494,224	55,859,971	66,548,170	71,086,083	63.3%	28.9%
Total - Enterprise Funds	8,690,784	1,719,720	10,410,504	3,951,882	3,646,594	2,812,028	73.0%	38.0%

Town of Andover
FY 2021 Reserve Account and Compensation Fund
As of 10/31/20

RESERVE FUND

Appropriation by Vote of Town Meeting September 2020	\$ 200,000.00
Transfers by Vote of Town Meeting	0.00
Transfers by Authority of the Finance Committee	0.00
Available Balance	<u>\$ 200,000.00</u>

COMPENSATION FUND

Appropriation by Vote of Town Meeting September 2020	\$ 174,718.00
Transfers by Vote of Town Meeting	0.00
Transfer by Authority of the Select Board	0.00
Available Balance	<u>\$ 174,718.00</u>

Town of Andover
FY 2021 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 10/31/20

	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	School Professional Development
	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 4500
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 6/30/2020	19,146	3,405	33,979	577,945	262,137	33,360	91,147	6,241	7,164	28,950	24,734	0	27,136	52,158	21,600
Expenditures thru 6/30/2020	17,188	7,282	49,253	772,271	313,545	83,745	107,171	0	0	35,829	13,925	0	38,622	23,715	18,881
Balance thru 6/30/2020	16,598	14,081	26,344	227,426	199,511	68,107	176,788	39,290	28,080	23,927	58,090	0	23,942	92,715	2,719
Receipts thru 10/31/2020	10,545	212	26,336	49,800	82,128	16,040	8,390	2,842	311	6,395	4,502	0	3,835	2,875	800
Expenditures thru 10/31/2020	10,624	545	61,242	156,644	55,632	11,943	34,685	0	0	2,838	0	0	4,292	0	240
Balance thru 10/31/2020	16,519	13,749	-8,562	120,581	226,008	72,204	150,493	42,132	28,391	27,484	62,592	0	23,486	95,590	3,279

Spending Authorization Art 7G - ATM 20	\$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	\$50,000
Y-T-D % Spent	53.12%	2.72%	102.07%	25.06%	13.91%	7.96%	15.42%	0.00%	0.00%	4.73%	0.00%	0.00%	4.29%	0.00%	0.48%

**Town of Andover
Capital Projects
10/31/2020**

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>Total Available</u>	
Budget	1,040,000	1,078,000	1,120,000	1,495,643	1,040,000	1,011,600	1,150,000		
Expended	1,040,000	1,078,000	1,117,444	1,489,552	1,016,958	751,319	-		
Encumbered	-	-	-	1,500	4,095	57,809	29,736		
Total School CIP	Available	-	-	2,556	4,591	18,947	202,473	1,120,264	1,348,831
Budget	85,000	112,000	222,000	579,018	487,000	1,044,098	902,108		
Expended	75,550	65,900	159,230	552,378	385,009	522,997	74,927		
Encumbered	9,450	-	-	12,800	6,426	112,502	-		
Total General Government CIP	Available	-	46,100	62,770	13,840	95,565	408,600	827,181	1,454,056
Budget	62,000	-	-	32,214	-	-	-		
Expended	39,976	-	-	28,601	-	-	-		
Encumbered	-	-	-	-	-	-	-		
Total Youth Services CIP	Available	22,024	-	-	3,613	-	-	-	25,637
Budget	17,000	70,000	50,000	-	-	-	-		
Expended	17,000	66,873	50,000	-	-	-	-		
Encumbered	-	-	-	-	-	-	-		
Total Recreation CIP	Available	-	3,127	-	-	-	-	-	3,127
Budget	50,000	25,000	25,000	-	-	10,000	50,000		
Expended	50,000	25,000	25,000	-	-	-	-		
Encumbered	-	-	-	-	-	-	-		
Total Library CIP	Available	-	-	-	-	10,000	50,000	60,000	
Budget	550,000	590,000	623,000	800,000	946,000	1,303,000	468,000		
Expended	550,000	588,336	615,094	766,075	843,077.90	563,755.18	-		
Encumbered	-	1,650	7,906	13,730	102,254.76	412,584.61	4,730		
Total Facilities CIP	Available	-	14	0	20,194	667	326,660	463,270	810,805
Budget	231,000	285,000	195,000	293,500	250,077	195,000	195,000		
Expended	224,260	284,661	195,000	293,400	248,399	39,792	-		
Encumbered	-	-	-	-	760	45,531	-		
Total Police CIP	Available	6,740	339	-	100	918	109,678	195,000	312,775
Budget	129,000	50,000	20,000	63,500	214,000	-	96,000		
Expended	92,676	37,332	16,623	61,352	201,715	-	96,000		
Encumbered	-	-	-	-	-	-	-		
Total Fire CIP	Available	36,324	12,668	3,378	2,148	12,285	-	-	66,803
Budget	206,000	240,000	285,000	415,000	328,000	400,000	-		
Expended	206,000	234,163	225,018	338,541	298,395	125,418	-		
Encumbered	-	5,838	50,300	30,326	29,064	107,370	-		
Total DPW CIP	Available	-	-	9,682	46,132	541	167,212	-	223,568
Budget	1,330,000	1,372,000	1,420,000	2,183,232	2,225,077	2,952,098	1,711,108		
Expended	1,255,461	1,302,264	1,285,964	2,040,348	1,976,597	1,251,961	170,927		
Encumbered	9,450	7,488	58,206	56,857	138,504	677,987	4,730		
Total Town CIP	Available	65,088	62,248	75,830	86,027	109,976	1,022,150	1,535,451	2,956,771
Budget	2,370,000	2,450,000	2,540,000	3,678,875	3,265,077	3,963,698	2,861,108		
Expended	2,295,461	2,380,264	2,403,408	3,529,900	2,993,555	2,003,280	170,927		
Encumbered	9,450	7,488	58,206	58,357	142,599	735,795	34,466		
Grand Total	Available	65,088	62,248	78,386	90,618	128,924	1,224,623	2,655,715	4,305,602