



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, Town Website

Date: April 14, 2021

Re: ***FY 2021 Financials***

The attached reports summarize the Town's financial position through January 31, 2021.
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 January 31, 2021.

General Fund

The total general fund receipts of all sources collected through January 31, 2021 are in line with the annual projections through seven months of the year. However, FY2021 local receipts are approximately \$2.5 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 with better interest rates. There was also a delay in the State sending hotel, motel and meals receipts in FY2021 and the Town received two FEMA receipts in FY 2020 totaling about \$464,000 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 January 2021. The school encumbers most of their projected salaries and adjusts during the school year as they determine where staff will be funded. The required appropriation for pension was paid in full in August, workers compensation insurance changed to a premium based plan in FY2021 and the OPEB appropriation was transferred in November. Technical Schools charges have come in higher than budgeted.

Water Enterprise Fund

The total water enterprise fund collections are better than the annual projections through January 2021, with user charges being almost \$2 million greater than prior year receipts through the same period, due to the drier weather conditions and more people at home during the pandemic, increasing usage over the summer.

Water personal services are consistent with FY 2021 projections through January 2021. 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 January 2021 and user charges are approximately \$457,000 greater than prior year receipts through the same period. Sewer personal services and other expenses are lower than the FY 2021 projections through January 2021.

Reserve Fund

Town Meeting approved a reserve fund balance of \$200,000. This money has not been used through January 2021.

Compensation Fund

Town Meeting approved a compensation fund balance of \$174,718. This money has not been used through January 2021.

Revolving Accounts

Town Meeting voted to approve 15 revolving funds with a total spending limit of \$1,915,000. In regards to the Health Services Clinics Fund, there has been a delay in receipt of flu vaccine reimbursements and we are working to identify expenditures which may be able to be charged to other funds.

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 1/31/2021 and 1/31/2020

	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	5,445,856	847,960	15.6%	5,826,858	845,101	14.5%	(381,002)	2,859
Hotel/Motel/Meals	1,064,009	605,569	56.9%	2,358,666	1,567,667	66.5%	(1,294,657)	(962,098)
Penalties and Interest on Taxes and Excises	480,000	276,758	57.7%	461,500	388,178	84.1%	18,500	(111,421)
Fees	61,000	28,900	47.4%	59,850	49,604	82.9%	1,150	(20,704)
Payments in Lieu of Taxes	430,000	-	0.0%	412,000	2,016	0.5%	18,000	(2,016)
Other Departmental Revenues	300,000	192,682	64.2%	250,950	108,860	43.4%	49,050	83,821
Other Departmental Revenues - School Medicare	180,000	111,685	62.0%	366,924	85,018	23.2%	(186,924)	26,667
Non-Recurring Revenues	-	-	N/A	-	463,884	N/A	-	(463,884)
Licenses and Permits	2,408,496	1,451,591	60.3%	2,400,000	1,816,093	75.7%	8,496	(364,502)
Fines & Forfeits	227,000	95,222	41.9%	242,000	148,807	61.5%	(15,000)	(53,585)
Investment Income	395,918	171,716	43.4%	631,269	787,828	124.8%	(235,351)	(616,112)
Special Assessments	-	533	N/A	-	557	N/A	-	(24)
Total Estimated Receipts	10,992,279	3,782,616	34.4%	13,010,017	6,263,615	48.1%	(2,017,738)	(2,480,999)

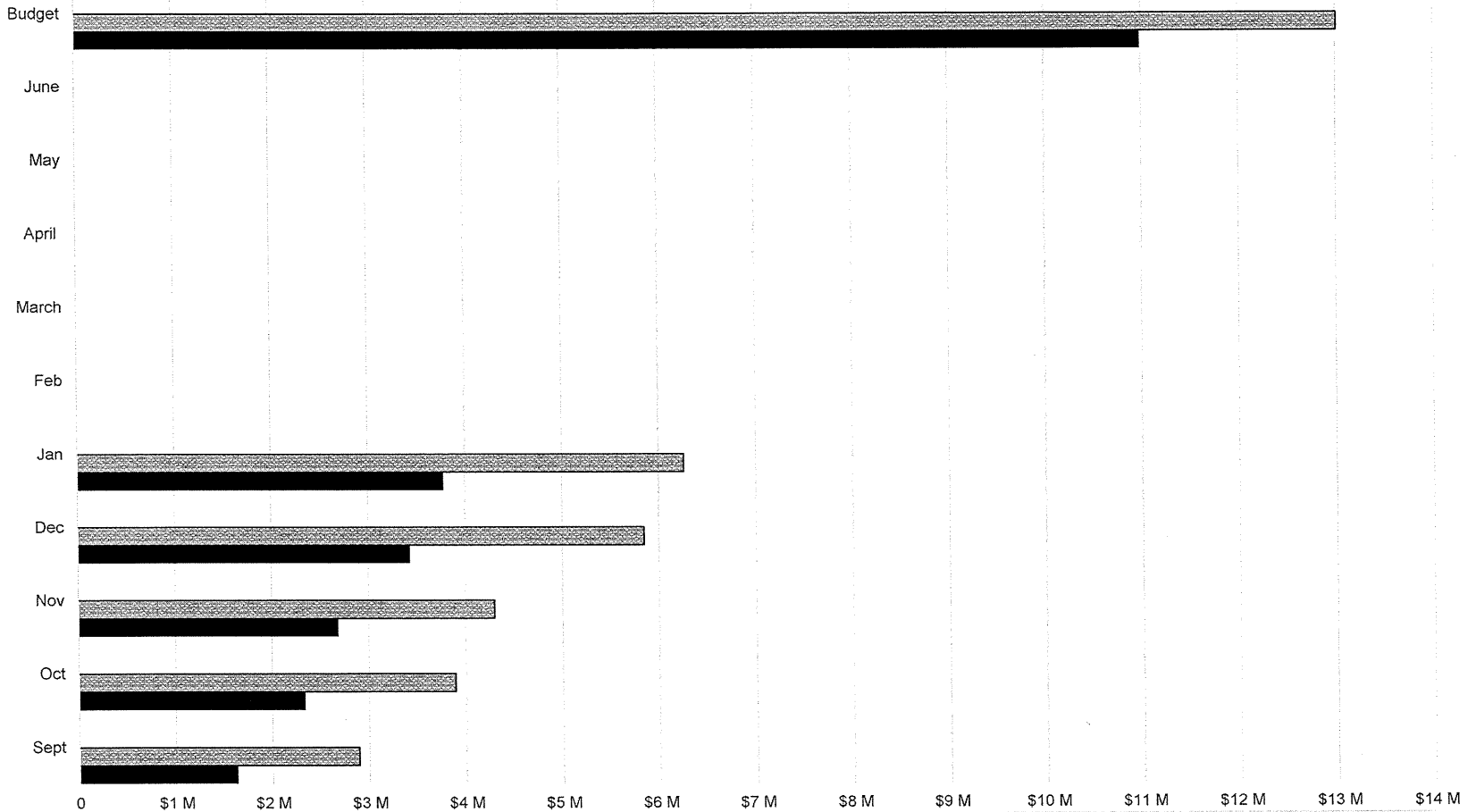
	FY 21 Budgeted	FY 21 YTD	%	FY 20 Budgeted	FY 20 YTD	%	Change in	Change in
Off-Set Receipts	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Recreation	593,510	158,535	26.7%	583,510	301,557	51.7%	10,000	(143,022)
Elder Services	106,000	61,429	58.0%	106,000	66,432	62.7%	-	(5,002)
Public Facilities - Rental Receipts	80,000	13,433	16.8%	80,000	56,128	70.2%	-	(42,695)
Cemetery - Interment Fees	60,000	38,191	63.7%	60,000	42,242	70.4%	-	(4,051)
Public Safety - Police Detail Fees	90,000	28,973	32.2%	90,000	42,389	47.1%	-	(13,416)
Public Safety / Fire - Ambulance Receipts	1,350,000	784,676	58.1%	1,350,000	835,873	61.9%	-	(51,197)
Total Off-Set Receipts	2,279,510	1,085,237	47.6%	2,269,510	1,344,621	59.2%	10,000	(259,384)

	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)	159,488,649	111,748,255	70.1%	151,611,876	108,344,513	71.5%	7,876,773	3,403,742
State Aid	13,939,807	8,098,498	58.1%	13,929,158	8,108,624	58.2%	10,649	(10,126)
Total Other Revenues	173,428,456	119,846,753	69.1%	165,541,034	116,453,137	70.3%	7,887,422	3,393,616
Total Revenues	186,700,245	124,714,606	66.8%	180,820,561	124,061,373	68.6%	5,879,684	653,233

Town of Andover
FY 2021 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 1/31/2021 and 1/31/2020

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	7,777,613	81.3%	8,511,201	5,809,728	68.3%	1,056,397	1,967,885
Water Connection	41,000	28,305	69.0%	41,000	40,957	99.9%	-	(12,652)
Water Testing Fees	22,000	11,305	51.4%	25,000	13,495	54.0%	(3,000)	(2,190)
Meter Installations	10,000	9,000	90.0%	9,000	7,245	80.5%	1,000	1,755
Fire Flow Test	9,000	6,500	72.2%	9,000	11,206	124.5%	-	(4,706)
Special/Final Reads	25,000	35,731	142.9%	25,000	18,002	72.0%	-	17,730
Backflow/Cross Connection Fees	75,000	4,160	5.5%	75,000	39,000	52.0%	-	(34,840)
Water Tap	-	1,050	N/A	-	350	N/A	-	700
Liens	120,000	34,584	28.8%	120,000	35,726	29.8%	-	(1,142)
Fire Suppression	220,000	140,132	63.7%	150,000	142,150	94.8%	70,000	(2,019)
Interest /Misc Revenue	12,000	16,780	139.8%	-	2,803	N/A	12,000	13,978
Non-Revenue Interest	16,000	7,807	48.8%	19,000	41,846	220.2%	(3,000)	(34,038)
Total Water Receipts	10,117,598	8,072,968	79.8%	8,984,201	6,162,508	68.6%	1,133,397	1,910,460
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	3,090,208	62.3%	4,841,042	2,653,096	54.8%	121,026	437,112
Committed Interest/Income	170,000	100,367	59.0%	235,000	103,733	44.1%	(65,000)	(3,366)
Liens	55,000	28,062	51.0%	90,000	25,965	28.9%	(35,000)	2,097
Apport Assmnts	445,000	295,582	66.4%	491,400	294,438	59.9%	(46,400)	1,144
Interest /Misc Revenue	-	1,371	N/A	-	2,351	N/A	-	(979)
Non-Revenue Interest	48,000	5,474	11.4%	45,046	26,162	58.1%	2,954	(20,688)
Total Sewer Receipts	5,680,068	3,521,064	62.0%	5,702,488	3,105,745	54.5%	(22,420)	415,319
Total Enterprise Revenues	15,797,666	11,594,032	73.4%	14,686,689	9,268,253	63.11%	1,110,977	2,325,779

Town of Andover Local Receipts FY 2021 and FY 2020



	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget
■ FY 2020 % of Budget	22.2%	29.9%	33.1%	45.0%	48.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
■ FY 2021 % of Budget	14.9%	21.3%	24.4%	31.2%	34.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
■ FY 2020 Receipts	\$2,892,581	\$3,894,457	\$4,301,255	\$5,848,439	\$6,263,615						\$13,010,017
■ FY 2021 Receipts	\$1,634,729	\$2,338,674	\$2,684,758	\$3,432,465	\$3,782,616						\$10,992,279

Town of Andover
FY 2021 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 1/31/2021

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	3,882,044	26,831	3,068,618	56.0%	55.6%
Community Services	1,808,992	-	1,808,992	1,056,528	-	752,464	58.4%	58.4%
Public Facilities	2,453,849	-	2,453,849	1,306,466	-	1,147,383	53.2%	53.2%
Public Safety - Fire	8,431,428	14,115	8,445,543	5,027,866	14,115	3,403,562	59.7%	59.5%
Public Safety - Police	7,966,037	14,839	7,980,876	4,496,958	14,839	3,469,079	56.5%	56.3%
Public Works	3,720,378	13,491	3,733,869	2,117,405	13,491	1,602,974	57.1%	56.7%
Library	2,255,543	-	2,255,543	1,210,154	-	1,045,389	53.7%	53.7%
School	72,080,761	-	72,080,761	32,807,686	36,204,558	3,068,517	95.7%	45.5%
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	51,905,107	36,273,833	17,732,703	83.3%	49.0%
Water Enterprise	2,178,805	-	2,178,805	1,326,002	-	852,803	60.9%	60.9%
Sewer Enterprise	346,903	-	346,903	187,059	-	159,844	53.9%	53.9%
Total Personal Services - Enterprise Funds	2,525,708	-	2,525,708	1,513,061	-	1,012,647	59.9%	59.9%
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	1,246,680	312,775	817,444	65.6%	52.4%
Community Services	680,691	49,221	729,912	410,379	96,692	410,379	43.8%	30.5%
Public Facilities	1,375,450	24,366	1,399,816	477,515	490,152	432,149	69.1%	34.1%
Public Safety - Fire	547,150	41,944	589,094	350,569	102,709	135,816	76.9%	59.5%
Public Safety - Police	1,030,300	52,566	1,082,866	435,481	246,623	400,762	63.0%	40.2%
Public Works	5,635,948	592,513	6,228,461	3,120,288	665,826	2,442,347	60.8%	50.1%
Library	659,987	5,506	665,493	352,117	183,898	129,478	80.5%	52.9%
School	17,165,939	530,942	17,696,881	7,684,277	8,867,701	1,144,903	93.5%	43.4%
Technical Schools	740,000	-	740,000	388,088	402,767	(50,855)	106.9%	52.4%
Debt Service	16,873,972	-	16,873,972	11,784,061	-	5,089,911	69.8%	69.8%
Insurance	1,225,921	-	1,225,921	1,012,108	20,000	193,813	84.2%	82.6%
Health Insurance	22,338,257	-	22,338,257	9,352,381	-	12,985,876	41.9%	41.9%
Unemployment	160,000	33,704	193,704	1,950	35,654	156,100	19.4%	1.0%
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	-	-	100.0%	100.0%
Total Other Expenses - General Fund	86,051,045	1,531,535	87,582,580	51,669,659	11,424,797	24,488,124	72.0%	59.0%
Water Enterprise	3,323,000	1,428,193	4,751,193	3,169,930	1,347,962	233,301	95.1%	66.7%
Sewer Enterprise	2,842,076	291,527	3,133,603	1,509,255	1,323,765	300,583	90.4%	48.2%
Total Other Expenses - Enterprise Funds	6,165,076	1,719,720	7,884,796	4,679,185	2,671,727	533,884	93.2%	59.3%
Total - General Fund	191,893,413	1,600,811	193,494,224	103,574,766	47,698,630	42,220,828	78.2%	53.5%
Total - Enterprise Funds	8,690,784	1,719,720	10,410,504	6,192,246	2,671,727	1,546,531	85.1%	59.5%

Town of Andover
FY 2021 Reserve Account and Compensation Fund
As of 1/31/21

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 1/31/21

	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	School Professional Development 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 1/31/2021	15,985	538	26,646	89,847	163,299	17,020	25,640	4,561	621	7,284	8,831	0	5,456	46,960	800
Expenditures thru 1/31/2021	16,606	604	62,552	233,052	84,011	13,141	66,750	0	0	24,033	0	0	7,594	3,822	240
Balance thru 1/31/2021	15,977	14,016	-9,562	84,221	278,799	71,986	135,678	43,851	28,702	7,177	66,921	0	21,805	135,854	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	83.03%	3.02%	104.25%	37.29%	21.00%	8.76%	29.67%	0.00%	0.00%	40.06%	0.00%	0.00%	7.59%	3.82%	0.48%

**Town of Andover
Capital Projects
1/31/2021**

	<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	1,489,626	1,019,946	777,965	42,973		
Encumbered	-	-	2,377	1,500	13,261	128,700	181,947		
Total School CIP	Available	-	-	179	4,517	6,793	104,935	925,080	1,041,504
Budget	85,000	112,000	222,000	579,018	487,000	1,044,098	902,108		
Expended	76,132	65,900	159,230	552,378	385,789	585,241	138,683		
Encumbered	8,868	-	-	12,800	6,426	67,780	-		
Total General Government CIP	Available	-	46,100	62,770	13,840	94,785	391,077	763,425	1,372,002
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	589,985	620,090	773,679	885,809	796,236	30,698		
Encumbered	-	-	2,906	6,122	60,176	377,425	88,729		
Total Facilities CIP	Available	-	15	4	20,199	15	129,339	348,574	498,146
Budget	231,000	285,000	195,000	293,500	250,077	195,000	195,000		
Expended	224,260	284,661	195,000	293,400	249,159	85,322	-		
Encumbered	-	-	-	-	-	7,351	-		
Total Police CIP	Available	6,740	339	-	100	918	102,327	195,000	305,424
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	344,427	323,147	238,982	-		
Encumbered	-	5,838	50,300	24,440	4,312	74,889	-		
Total DPW CIP	Available	-	-	9,682	46,132	541	86,129	-	142,485
Budget	1,330,000	1,372,000	1,420,000	2,183,232	2,225,077	2,952,098	1,711,108		
Expended	1,256,044	1,303,913	1,290,960	2,053,838	2,045,619	1,705,780	265,380		
Encumbered	8,868	5,838	53,206	43,363	70,914	527,445	88,729		
Total Town CIP	Available	65,088	62,250	75,834	86,032	108,545	718,872	1,356,999	2,473,624
Budget	2,370,000	2,450,000	2,540,000	3,678,875	3,265,077	3,963,698	2,861,108		
Expended	2,296,044	2,381,913	2,408,404	3,543,463	3,065,565	2,483,745	308,353		
Encumbered	8,868	5,838	55,583	44,863	84,174	656,145	270,676		
Grand Total	Available	65,088	62,250	76,012	90,549	115,338	823,808	2,282,079	3,515,128