



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
Revenue and Expenditure Task Force

From: Hayley Green, Town Accountant/Assistant Finance Director

CC: Andrew Flanagan, Michael Lindstrom, Patrick Lawlor, Donna Walsh, Paul Szymanski,
Janet Wright, Town Website

Date: March 11, 2022

Re: ***FY 2022 Financials***

The attached reports summarize the Town's financial position through January 31, 2022.
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 – FY16 – FY22

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

The attached reports of the Town Accountant summarize FY 2022 revenues and expenditures for the General Fund, Enterprise Funds, Compensation Fund, Reserve Fund, Revolving Funds and Capital Projects through January 31, 2022.

General Fund

The total general fund receipts of all sources collected through January 31, 2022 are greater than annual projections through the first seven months of the year. FY2022 local receipts are approximately \$928,000 greater than FY 2021 collections through the same period of time. This is primarily due to the increase in hotel motel and meals tax revenue as more people are dining out and traveling as compared to last year, and a large school Medicaid payment. Off-set receipts collections also exceed projections and are approximately \$259,000 greater than collections through the same period of time last fiscal year, mainly due to activity in the recreation department where more programs were offered as compared to last year with COVID-19 limitations.

General fund personal services are lower and other expenditures are in line with FY 2022 projections through January 31, 2022. The school encumbers most of their projected salaries at the beginning of the fiscal year and adjusts during the school year as they determine where staff will be funded. Insurance premiums were paid in July and the required appropriation for pension was paid in full in August. The technical schools' appropriation came in higher than estimated and the deficit is expected to be covered with free cash approved at Town Meeting.

Water Enterprise Fund

The total water enterprise fund collections are in line with the annual projections through January 31, 2022. The user charges receipts are approximately \$1.4 million less than FY21 through the same period of time because there were drier conditions and more pool installations, resulting in more consumption for FY21. Water personal services and other expenses are in line with FY 2022 projections through January 31, 2022.

Sewer Enterprise Fund

The total sewer enterprise fund collections are lower than annual projections through January 31, 2022 with user charges being approximately \$557,000 less than prior year receipts through the same period. The lower collections are correlated with the lower water collections. Sewer personal services are in line with and other expenses are greater than the FY 2022 projections through January 31, 2022. The greater expenditures are due to a significant sewer main repair which was not budgeted.

Reserve Fund

Town Meeting approved a reserve fund balance of \$200,000. This money has not been used through January 2022.

Compensation Fund

Town Meeting approved a compensation fund balance of \$155,326. This money has not been used through January 2022.

Revolving Accounts

Town Meeting voted to approve 16 revolving funds with a total spending limit of \$2,240,000.

Capital Projects

These projects are part of the Town's capital improvement plan voted at Town Meeting from taxation. There is a balance of \$2,969,871 available for the most recent seven years of approved projects.

Town of Andover
FY 2022 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 1/31/2022 and 1/31/2021

	FY 22 Budgeted	FY 22 YTD	%	FY 21 Budgeted	FY 21 YTD	%	Change in	Change in
Local Receipts	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Motor Vehicle Excise	5,595,875	750,997	13.4%	5,445,856	847,960	15.6%	150,019	(96,964)
Hotel/Motel/Meals	1,475,000	1,239,237	84.0%	1,064,009	605,569	56.9%	410,991	633,668
Penalties and Interest on Taxes and Excises	480,000	368,807	76.8%	480,000	276,758	57.7%	-	92,050
Fees	61,000	101,777	166.8%	61,000	28,900	47.4%	-	72,877
Payments in Lieu of Taxes	440,713	2,016	0.5%	430,000	-	0.0%	10,713	2,016
Other Departmental Revenues	300,000	127,116	42.4%	300,000	175,292	58.4%	-	(48,176)
Other Departmental Revenues - School Medicare	200,000	418,036	209.0%	180,000	111,685	62.0%	20,000	306,351
Licenses and Permits	2,354,000	1,511,437	64.2%	2,408,496	1,454,107	60.4%	(54,496)	57,330
Fines & Forfeits	227,000	81,237	35.8%	227,000	95,222	41.9%	-	(13,985)
Investment Income	200,000	94,537	47.3%	395,918	171,716	43.4%	(195,918)	(77,179)
Special Assessments	-	90	N/A	-	533	N/A	-	(444)
Total Estimated Receipts	11,333,588	4,695,288	41.4%	10,992,279	3,767,743	34.3%	341,309	927,546

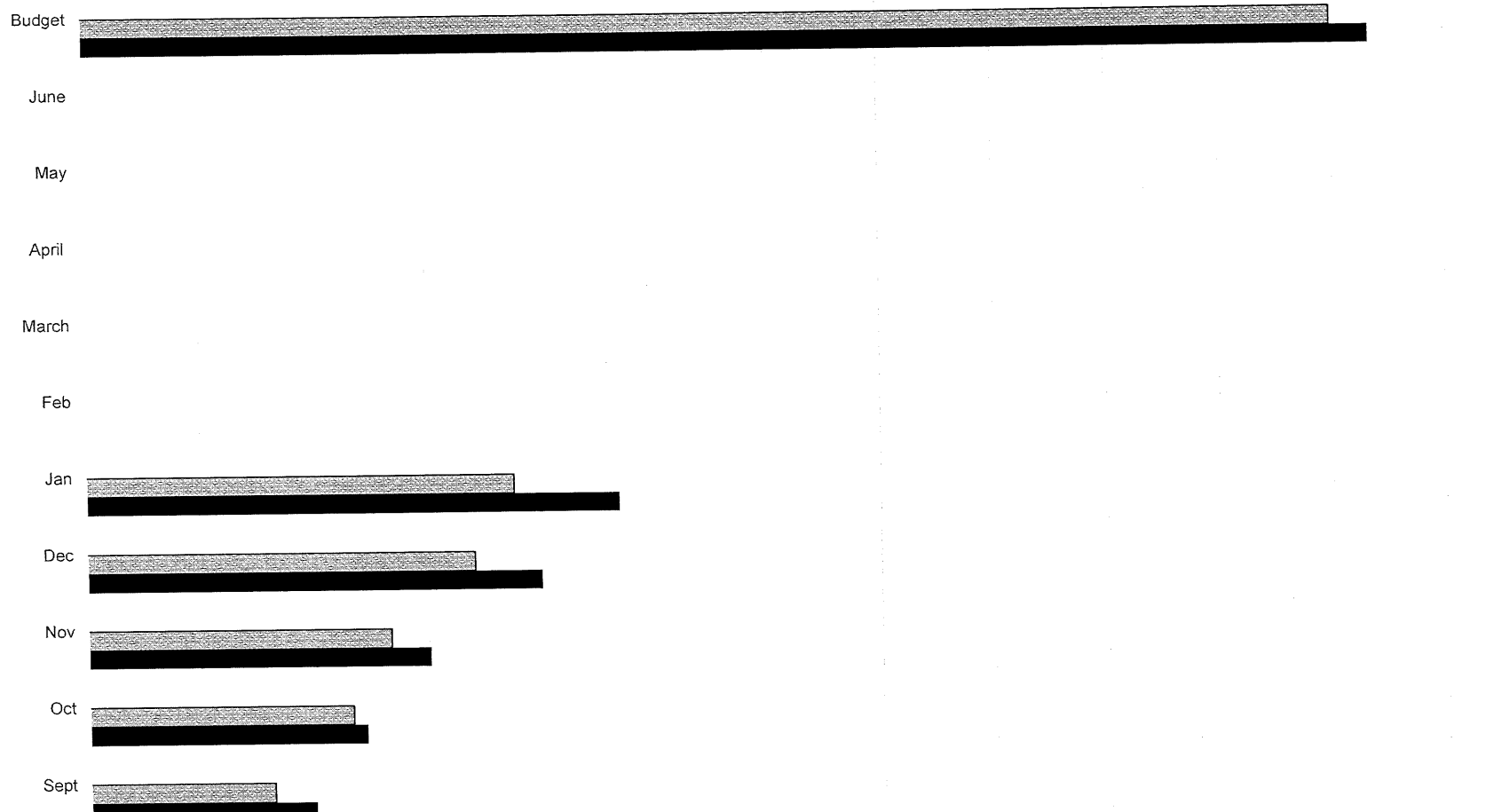
	FY 22 Budgeted	FY 22 YTD	%	FY 21 Budgeted	FY 21 YTD	%	Change in	Change in
Off-Set Receipts	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Recreation	393,510	341,223	86.7%	593,510	158,535	26.7%	(200,000)	182,689
Elder Services	106,000	74,386	70.2%	106,000	61,429	58.0%	-	12,956
Public Facilities - Rental Receipts	20,000	53,056	265.3%	80,000	13,433	16.8%	(60,000)	39,624
Cemetery - Interment Fees	60,000	38,010	63.4%	60,000	38,191	63.7%	-	(181)
Public Safety - Police Detail Fees	60,000	53,644	89.4%	90,000	28,973	32.2%	(30,000)	24,671
Public Safety / Fire - Ambulance Receipts	1,250,000	784,120	62.7%	1,350,000	784,676	58.1%	(100,000)	(556)
Total Off-Set Receipts	1,889,510	1,344,439	71.2%	2,279,510	1,085,237	47.6%	(390,000)	259,203

	FY 22 Budgeted	FY 22 YTD	%	FY 21 Budgeted	FY 21 YTD	%	Change in	Change in
Other Revenues	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Property Taxes (inc. Tax Titles)	165,459,877	116,789,545	70.6%	159,488,649	111,748,255	70.1%	5,971,228	5,041,290
State Aid	14,178,409	8,379,066	59.1%	13,939,807	8,098,498	58.1%	238,602	280,568
Total Other Revenues	179,638,286	125,168,611	69.7%	173,428,456	119,846,753	69.1%	6,209,830	5,321,858
Total Revenues	192,861,384	131,208,338	68.0%	186,700,245	124,699,732	66.8%	6,161,139	6,508,606

Town of Andover
FY 2022 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 1/31/2022 and 1/31/2021

	<u>FY 22 Budgeted Receipts</u>	<u>FY 22 YTD Revenues</u>	<u>% Collected</u>	<u>FY 21 Budgeted Receipts</u>	<u>FY 21 YTD Revenues</u>	<u>% Collected</u>	<u>Change in Budgets</u>	<u>Change in YTD Receipts</u>
Water Fund								
User Charges	9,996,766	6,345,707	63.5%	9,567,598	7,777,613	81.3%	429,168	(1,431,907)
Water Connection	41,000	3,145	7.7%	41,000	28,305	69.0%	-	(25,160)
Water Testing Fees	18,000	1,885	10.5%	22,000	11,305	51.4%	(4,000)	(9,420)
Meter Installations	9,000	4,050	45.0%	10,000	9,000	90.0%	(1,000)	(4,950)
Fire Flow Test	9,000	4,982	55.4%	9,000	6,500	72.2%	-	(1,518)
Special/Final Reads	25,000	14,546	58.2%	25,000	35,731	142.9%	-	(21,186)
Backflow/Cross Connection Fees	75,000	60,463	80.6%	75,000	4,160	5.5%	-	56,303
Water Tap	1,000	600	60.0%	-	1,050	N/A	1,000	(450)
Liens	80,000	34,756	43.4%	120,000	34,584	28.8%	(40,000)	172
Fire Suppression	220,000	170,605	77.5%	220,000	140,132	63.7%	-	30,474
Interest /Misc Revenue	-	1,106	N/A	12,000	16,780	139.8%	(12,000)	(15,674)
Non-Revenue Interest	19,000	2,353	12.4%	16,000	7,807	48.8%	3,000	(5,455)
Total Water Receipts	10,493,766	6,644,197	63.3%	10,117,598	8,072,968	79.8%	376,168	(1,428,771)
Sewer Fund								
User Charges	5,086,120	2,533,067	49.8%	4,962,068	3,090,208	62.3%	124,052	(557,141)
Committed Interest/Income	165,000	72,519	44.0%	170,000	100,367	59.0%	(5,000)	(27,848)
Liens	55,000	17,997	32.7%	55,000	28,062	51.0%	-	(10,065)
Apport Assmnts	410,000	238,226	58.1%	445,000	295,582	66.4%	(35,000)	(57,357)
Interest /Misc Revenue	-	1,792	N/A	-	1,371	N/A	-	420
Non-Revenue Interest	15,000	1,662	11.1%	48,000	5,474	11.4%	(33,000)	(3,812)
Total Sewer Receipts	5,731,120	2,865,262	50.0%	5,680,068	3,521,064	62.0%	51,052	(655,803)
Total Enterprise Revenues	16,224,886	9,509,459	58.6%	15,797,666	11,594,032	73.39%	427,220	(2,084,574)

Town of Andover Local Receipts FY 2022 and FY 2021



	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
		Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget	
■ FY 2021 % of Budget		14.8%	21.1%	24.3%	31.1%	34.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
■ FY 2022 % of Budget		17.6%	21.6%	26.6%	35.3%	41.4%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
■ FY 2021 Receipts		\$1,628,383	\$2,323,802	\$2,669,886	\$3,417,591	\$3,767,743						\$10,992,279	
■ FY 2022 Receipts		\$1,989,405	\$2,444,067	\$3,015,542	\$4,004,836	\$4,695,288						\$11,333,588	

Town of Andover
FY 2022 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 1/31/2022

	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	7,167,854	112,166	7,280,020	3,988,110	-	3,291,910	54.8%	54.8%
Community Services	1,819,521	-	1,819,521	1,116,500	-	703,021	61.4%	61.4%
Public Facilities	2,508,336	-	2,508,336	1,456,653	-	1,051,683	58.1%	58.1%
Public Safety - Fire	8,628,347	32,813	8,661,160	5,107,114	-	3,554,046	59.0%	59.0%
Public Safety - Police	8,090,689	32,178	8,122,867	4,607,582	-	3,515,285	56.7%	56.7%
Public Works	3,814,578	-	3,814,578	2,203,719	-	1,610,859	57.8%	57.8%
Library	2,321,710	-	2,321,710	1,248,139	-	1,073,571	53.8%	53.8%
School	75,617,287	-	75,617,287	34,583,513	40,719,051	314,723	99.6%	45.7%
Compensation Fund	155,326	-	155,326	-	-	155,326	0.0%	0.0%
Total Personal Services - General Fund	110,123,648	177,157	110,300,805	54,311,330	40,719,051	15,270,424	86.2%	49.2%
Water Enterprise	2,338,139	-	2,338,139	1,275,813	-	1,062,326	54.6%	54.6%
Sewer Enterprise	355,912	-	355,912	183,915	-	171,997	51.7%	51.7%
Total Personal Services - Enterprise Funds	2,694,051	-	2,694,051	1,459,728	-	1,234,323	54.2%	54.2%
Other Expenses								
General Government	2,233,879	216,881	2,450,760	1,480,198	317,364	653,199	73.3%	60.4%
Community Services	605,675	103,285	708,960	271,711	183,759	253,491	64.2%	38.3%
Public Facilities	1,325,450	247,628	1,573,078	878,836	461,797	232,445	85.2%	55.9%
Public Safety - Fire	571,550	81,058	652,608	375,980	118,449	158,179	75.8%	57.6%
Public Safety - Police	1,019,300	149,034	1,168,334	573,796	293,267	301,272	74.2%	49.1%
Public Works	5,921,832	893,969	6,815,801	3,148,542	2,171,071	1,496,187	78.0%	46.2%
Library	660,687	15,053	675,740	386,874	160,163	128,703	81.0%	57.3%
School	16,976,165	686,223	17,662,388	8,877,814	8,894,795	(110,221)	100.6%	50.3%
Technical Schools	800,000	-	800,000	420,753	422,105	(42,858)	105.4%	52.6%
Debt Service	11,057,553	-	11,057,553	8,369,173	-	2,688,380	75.7%	75.7%
Insurance	1,240,000	18,911	1,258,911	1,190,503	15,329	53,079	95.8%	94.6%
Health Insurance	23,147,462	-	23,147,462	7,217,474	-	15,929,988	31.2%	31.2%
Unemployment	160,000	-	160,000	47,206	2,050	110,744	30.8%	29.5%
Retirement	12,897,390	-	12,897,390	12,897,390	-	-	100.0%	100.0%
Reserve Fund	200,000	-	200,000	-	-	200,000	0.0%	0.0%
OPEB Appropriation	1,696,026	-	1,696,026	1,696,026	-	-	100.0%	100.0%
Total Other Expenses - General Fund	80,512,969	2,412,042	82,925,011	47,832,274	13,040,148	22,052,588	73.4%	57.7%
Water Enterprise	6,782,728	1,046,651	7,829,379	4,611,056	1,713,498	1,504,825	80.8%	58.9%
Sewer Enterprise	4,936,767	346,744	5,283,511	3,833,977	1,385,826	63,709	98.8%	72.6%
Total Other Expenses - Enterprise Funds	11,719,495	1,393,395	13,112,890	8,445,032	3,099,324	1,568,534	88.0%	64.4%
Total - General Fund	190,636,617	2,589,199	193,225,816	102,143,604	53,759,199	37,323,012	80.7%	52.9%
Total - Enterprise Funds	14,413,546	1,393,395	15,806,941	9,904,760	3,099,324	2,802,857	82.3%	62.7%

Town of Andover
FY 2022 Reserve Account and Compensation Fund
As of 1/31/22

RESERVE FUND

Appropriation by Vote of Town Meeting June 2021	\$ 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 June 2021	\$ 155,326.00
Transfers by Vote of Town Meeting	0.00
Transfer by Authority of the Select Board	0.00
Available Balance	<u>\$ 155,326.00</u>

Town of Andover
FY 2022 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 1/31/22

	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	Student Technology Rental Acct 4260
Balance thru 6/30/2020	16,599	14,082	26,344	227,426	199,511	68,107	129,857	39,289	28,080	23,927	58,090	0	23,942	92,715	2,719	15,210
Receipts thru 6/30/2021	31,045	1,044	40,322	605,596	354,496	56,938	43,954	7,426	1,237	30,275	31,661	0	6,732	53,168	800	18,850
Expenditures thru 6/30/2021	26,394	619	67,354	435,669	224,274	16,140	40,090	0	100	39,705	13,464	0	29,993	25,891	240	20,884
Balance thru 6/30/2021	21,250	14,507	-688	397,353	329,733	108,905	133,721	46,715	29,218	14,497	76,288	0	681	119,994	3,279	13,176
Receipts thru 1/31/2022	18,005	2,438	38,148	895,727	84,689	37,475	48,206	4,035	10,344	5,420	10,244	0	0	50,500	0	15,080
Expenditures thru 1/31/2022	13,112	71	28,188	643,930	94,048	16,141	42,574	0	0	1,336	3,920	0	0	4,165	0	20,624
Balance thru 1/31/2022	26,143	16,874	9,272	649,150	320,374	130,238	139,353	50,750	39,561	18,581	82,612	0	681	166,329	3,279	7,633

Spending Authorization Art 6G - ATM 21	\$20,000	\$20,000	\$60,000	\$750,000	\$400,000	\$150,000	\$225,000	\$50,000	\$10,000	\$60,000	\$40,000	\$5,000	\$100,000	\$100,000	\$50,000	\$200,000
Y-T-D % Spent	65.56%	0.35%	46.98%	85.86%	23.51%	10.76%	18.92%	0.00%	0.00%	2.23%	9.80%	0.00%	0.00%	4.17%	0.00%	10.31%

**Town of Andover
Capital Projects
1/31/2022**

	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>Total Available</u>	
Budget	1,078,000	1,120,000	1,495,643	1,040,000	1,011,600	1,150,000	1,185,000		
Expended	1,078,000	1,119,821	1,489,626	1,036,129	942,882	751,371	279,703		
Encumbered	-	-	-	410	46,664	253,442	318,866		
Total School CIP	Available	-	179	6,017	3,461	22,054	145,188	586,431	763,330
Budget	112,000	222,000	579,018	487,000	1,044,098	902,108	137,000		
Expended	77,000	191,142	553,143	396,617	682,752	526,487	-		
Encumbered	-	-	9,300	9,950	30,128	275,621	-		
Total General Government CIP	Available	35,000	30,858	16,575	80,433	331,218	100,000	137,000	731,085
Budget	-	-	32,214	-	-	-	-		
Expended	-	-	28,601	-	-	-	-		
Encumbered	-	-	-	-	-	-	-		
Total Youth Services CIP	Available	-	-	3,613	-	-	-	-	3,613
Budget	70,000	50,000	-	-	-	-	-		
Expended	66,873	50,000	-	-	-	-	-		
Encumbered	-	-	-	-	-	-	-		
Total Recreation CIP	Available	3,127	-	-	-	-	-	-	3,127
Budget	25,000	25,000	-	-	10,000	50,000	-		
Expended	25,000	25,000	-	-	-	4,075	-		
Encumbered	-	-	-	-	-	10,925	-		
Total Library CIP	Available	-	-	-	10,000	35,000	-	-	45,000
Budget	590,000	623,000	800,000	946,000	1,303,000	468,000	1,180,000		
Expended	590,000	623,000	779,446	933,594	1,251,355	273,531	237,486		
Encumbered	-	-	1,355	10,672	34,951	32,755	206,188		
Total Facilities CIP	Available	-	-	19,199	1,734	16,694	161,714	736,326	935,667
Budget	285,000	195,000	293,500	250,077	195,000	195,000	255,000		
Expended	285,000	195,000	293,400	249,159	195,000	166,672	41,700		
Encumbered	-	-	-	-	-	13,711	-		
Total Police CIP	Available	-	-	100	918	-	14,617	213,300	228,935
Budget	50,000	20,000	63,500	214,000	-	96,000	88,000		
Expended	37,332	20,000	61,352	201,715	-	96,000	77,383		
Encumbered	-	-	-	-	-	-	-		
Total Fire CIP	Available	12,668	-	2,148	12,285	-	-	10,617	37,718
Budget	240,000	285,000	415,000	328,000	400,000	-	165,000		
Expended	234,163	254,895	363,644	323,147	377,246	-	-		
Encumbered	5,838	20,475	5,223	4,312	22,662	-	-		
Total DPW CIP	Available	-	9,631	46,132	541	93	-	165,000	221,396
Budget	1,372,000	1,420,000	2,183,232	2,225,077	2,952,098	1,711,108	1,825,000		
Expended	1,315,367	1,359,037	2,079,587	2,104,232	2,506,352	1,066,765	356,569		
Encumbered	5,838	20,475	15,878	24,934	87,740	333,012	206,188		
Total Town CIP	Available	50,796	40,489	87,767	95,911	358,006	311,331	1,262,242	2,206,541
Budget	2,450,000	2,540,000	3,678,875	3,265,077	3,963,698	2,861,108	3,010,000		
Expended	2,393,367	2,478,858	3,569,212	3,140,361	3,449,235	1,818,136	636,272		
Encumbered	5,838	20,475	15,878	25,344	134,404	586,453	525,054		
Grand Total	Available	50,796	40,667	93,784	99,372	380,060	456,519	1,848,673	2,969,871