



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 *HG*

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

Date: April 7, 2022

Re: ***FY 2022 Financials***

The attached reports summarize the Town's financial position through February 28, 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 February 28, 2022.

General Fund

The total general fund receipts of all sources collected through February 28, 2022 are greater than annual projections through the first eight months of the year. FY2022 local receipts are approximately \$768,000 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 \$313,000 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 February 28, 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 Fire department incurred significant medical expenses which were not budgeted and the technical schools' appropriation came in higher than estimated. These two deficits are 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 February 28, 2022. The user charges receipts are approximately \$1.3 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 slightly lower than FY 2022 projections through February 28, 2022.

Sewer Enterprise Fund

The total sewer enterprise fund collections are lower than annual projections through February 28, 2022 with user charges being approximately \$733,000 less than prior year receipts through the same period. The lower collections are correlated with the lower water collections. Sewer personal services are lower than and other expenses are greater than the FY 2022 projections through February 28, 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 February 2022.

Compensation Fund

Town Meeting approved a compensation fund balance of \$155,326. This money has not been used through February 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 \$2,903,656 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 2/28/2022 and 2/28/2021

	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	2,251,394	40.2%	5,445,856	2,486,929	45.7%	150,019	(235,535)
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	392,255	81.7%	480,000	300,916	62.7%	-	91,338
Fees	61,000	125,270	205.4%	61,000	29,670	48.6%	-	95,600
Payments in Lieu of Taxes	440,713	2,016	0.5%	430,000	2,016	0.5%	10,713	-
Other Departmental Revenues	294,200	129,706	44.1%	291,481	210,676	72.3%	2,719	(80,971)
Other Departmental Revenues - School Medicare	200,000	418,036	209.0%	180,000	111,685	62.0%	20,000	306,351
Non-Recurring Revenues	5,800	5,863	N/A	8,519	2,700	N/A	(2,719)	3,163
Licenses and Permits	2,354,000	1,745,182	74.1%	2,408,496	1,692,438	70.3%	(54,496)	52,744
Fines & Forfeits	227,000	91,339	40.2%	227,000	111,285	49.0%	-	(19,946)
Investment Income	200,000	107,845	53.9%	395,918	185,682	46.9%	(195,918)	(77,837)
Special Assessments	-	90	N/A	-	596	N/A	-	(507)
Total Estimated Receipts	11,333,588	6,508,233	57.4%	10,992,279	5,740,163	52.2%	341,309	768,070

	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	458,465	116.5%	593,510	215,841	36.4%	(200,000)	242,624
Elder Services	106,000	84,420	79.6%	106,000	71,629	67.6%	-	12,792
Public Facilities - Rental Receipts	20,000	64,881	324.4%	80,000	16,112	20.1%	(60,000)	48,769
Cemetery - Interment Fees	60,000	41,835	69.7%	60,000	42,757	71.3%	-	(922)
Public Safety - Police Detail Fees	60,000	58,627	97.7%	90,000	34,958	38.8%	(30,000)	23,669
Public Safety / Fire - Ambulance Receipts	1,250,000	881,856	70.5%	1,350,000	895,900	66.4%	(100,000)	(14,044)
Total Off-Set Receipts	1,889,510	1,590,084	84.2%	2,279,510	1,277,196	56.0%	(390,000)	312,888

	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	122,261,896	73.9%	159,488,649	117,030,282	73.4%	5,971,228	5,231,614
State Aid	14,178,409	9,560,713	67.4%	13,939,807	9,256,846	66.4%	238,602	303,867
Total Other Revenues	179,638,286	131,822,609	73.4%	173,428,456	126,287,128	72.8%	6,209,830	5,535,481
Total Revenues	192,861,384	139,920,926	72.5%	186,700,245	133,304,487	71.4%	6,161,139	6,616,439

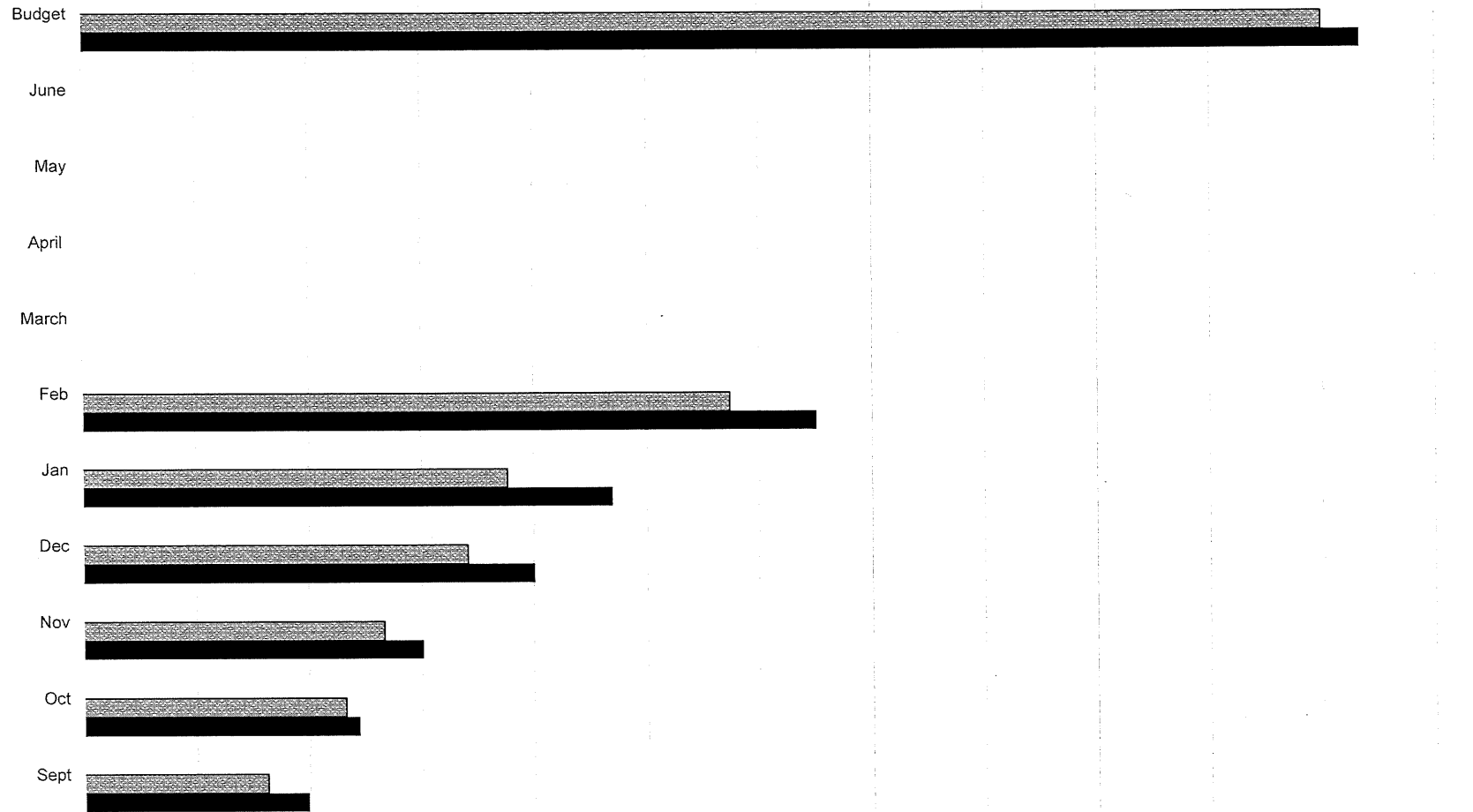
Town of Andover
FY 2022 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 2/28/2022 and 2/28/2021

Water Fund	FY 22 Budgeted Receipts	FY 22 YTD Revenues	% Collected	FY 21 Budgeted Receipts	FY 21 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	9,996,766	6,819,958	68.2%	9,567,598	8,152,185	85.2%	429,168	(1,332,227)
Water Connection	41,000	4,403	10.7%	41,000	29,563	72.1%	-	(25,160)
Water Testing Fees	18,000	12,140	67.4%	22,000	11,305	51.4%	(4,000)	835
Meter Installations	9,000	4,050	45.0%	10,000	9,900	99.0%	(1,000)	(5,850)
Fire Flow Test	9,000	4,982	55.4%	9,000	6,000	66.7%	-	(1,018)
Special/Final Reads	25,000	15,047	60.2%	25,000	36,848	147.4%	-	(21,801)
Backflow/Cross Connection Fees	75,000	64,038	85.4%	75,000	4,160	5.5%	-	59,878
Water Tap	1,000	600	60.0%	-	1,050	N/A	1,000	(450)
Liens	80,000	42,934	53.7%	120,000	42,552	35.5%	(40,000)	381
Fire Suppression	220,000	182,480	82.9%	220,000	170,111	77.3%	-	12,368
Interest /Misc Revenue	-	1,114	N/A	12,000	16,863	140.5%	(12,000)	(15,749)
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	7,154,097	68.2%	10,117,598	8,488,345	83.9%	376,168	(1,334,248)

Sewer Fund	FY 22 Budgeted Receipts	FY 22 YTD Revenues	% Collected	FY 21 Budgeted Receipts	FY 21 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	5,086,120	2,699,663	53.1%	4,962,068	3,343,909	67.4%	124,052	(644,246)
Committed Interest/Income	165,000	86,849	52.6%	170,000	111,174	65.4%	(5,000)	(24,325)
Liens	55,000	22,123	40.2%	55,000	31,803	57.8%	-	(9,680)
Apport Assmnts	410,000	274,180	66.9%	445,000	325,781	73.2%	(35,000)	(51,602)
Interest /Misc Revenue	-	1,908	N/A	-	1,741	N/A	-	167
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	3,086,384	53.9%	5,680,068	3,819,882	67.3%	51,052	(733,498)

Total Enterprise Revenues	16,224,886	10,240,481	63.1%	15,797,666	12,308,227	77.91%	427,220	(2,067,746)
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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%	52.2%	0.0%	0.0%	0.0%	0.0%	100.0%	
■ FY 2022 % of Budget		17.6%	21.6%	26.6%	35.3%	41.4%	57.4%	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	\$5,740,163					\$10,992,279	
■ FY 2022 Receipts		\$1,989,405	\$2,444,067	\$3,015,542	\$4,004,836	\$4,695,288	\$6,508,233					\$11,333,588	

Town of Andover
FY 2022 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 2/28/2022

	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	4,537,158	-	2,742,862	62.3%	62.3%
Community Services	1,819,521	-	1,819,521	1,237,225	-	582,296	68.0%	68.0%
Public Facilities	2,508,336	-	2,508,336	1,652,434	-	855,902	65.9%	65.9%
Public Safety - Fire	8,628,347	32,813	8,661,160	5,741,417	-	2,919,743	66.3%	66.3%
Public Safety - Police	8,090,689	32,178	8,122,867	5,229,851	-	2,893,016	64.4%	64.4%
Public Works	3,814,578	-	3,814,578	2,609,337	-	1,205,241	68.4%	68.4%
Library	2,321,710	-	2,321,710	1,415,029	-	906,681	60.9%	60.9%
School	75,617,287	-	75,617,287	40,829,754	32,133,467	2,654,066	96.5%	54.0%
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	63,252,204	32,133,467	14,915,133	86.5%	57.3%
Water Enterprise	2,338,139	-	2,338,139	1,431,517	-	906,622	61.2%	61.2%
Sewer Enterprise	355,912	-	355,912	207,881	-	148,031	58.4%	58.4%
Total Personal Services - Enterprise Funds	2,694,051	-	2,694,051	1,639,398	-	1,054,653	60.9%	60.9%
Other Expenses								
General Government	2,233,879	216,881	2,450,760	1,627,796	300,699	522,265	78.7%	66.4%
Community Services	605,675	103,285	708,960	294,192	166,812	247,956	65.0%	41.5%
Public Facilities	1,325,450	247,628	1,573,078	966,911	417,866	188,301	88.0%	61.5%
Public Safety - Fire	571,550	81,058	652,608	583,032	107,204	(37,628)	105.8%	89.3%
Public Safety - Police	1,019,300	149,034	1,168,334	623,307	280,567	264,460	77.4%	53.4%
Public Works	5,921,832	893,969	6,815,801	3,843,810	2,156,942	815,050	88.0%	56.4%
Library	660,687	15,053	675,740	432,235	121,896	121,609	82.0%	64.0%
School	16,976,165	686,223	17,662,388	10,330,384	8,238,712	(906,708)	105.1%	58.5%
Technical Schools	800,000	-	800,000	580,584	262,274	(42,858)	105.4%	72.6%
Debt Service	11,057,553	-	11,057,553	8,796,176	-	2,261,377	79.5%	79.5%
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	8,249,378	-	14,898,084	35.6%	35.6%
Unemployment	160,000	-	160,000	51,365	1,075	107,560	32.8%	32.1%
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	52,163,088	12,069,375	18,692,547	77.5%	62.9%
Water Enterprise	6,782,728	1,046,651	7,829,379	4,921,830	1,496,500	1,411,049	82.0%	62.9%
Sewer Enterprise	4,936,767	346,744	5,283,511	3,897,238	1,357,674	28,599	99.5%	73.8%
Total Other Expenses - Enterprise Funds	11,719,495	1,393,395	13,112,890	8,819,068	2,854,174	1,439,648	89.0%	67.3%
Total - General Fund	190,636,617	2,589,199	193,225,816	115,415,293	44,202,843	33,607,680	82.6%	59.7%
Total - Enterprise Funds	14,413,546	1,393,395	15,806,941	10,458,466	2,854,174	2,494,301	84.2%	66.2%

Town of Andover
FY 2022 Reserve Account and Compensation Fund
As of 2/28/22

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 2/28/22

	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 2/28/2022	19,025	2,728	38,401	1,030,224	97,413	37,475	52,150	4,614	11,552	5,834	10,244	0	0	52,125	0	15,080
Expenditures thru 2/28/2022	16,146	301	28,889	693,400	106,895	16,154	43,731	0	0	1,336	3,920	0	0	5,240	0	20,624
Balance thru 2/28/2022	24,129	16,934	8,823	734,177	320,251	130,225	142,140	51,329	40,770	18,995	82,612	0	681	166,879	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	80.73%	1.50%	48.15%	92.45%	26.72%	10.77%	19.44%	0.00%	0.00%	2.23%	9.80%	0.00%	0.00%	5.24%	0.00%	10.31%

**Town of Andover
Capital Projects
2/28/2022**

	<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	1,036,539	945,561	824,485	498,931		
Encumbered	-	-	-	-	43,985	202,497	120,563		
Total School CIP	Available	-	179	6,017	3,461	22,054	123,018	565,507	720,236
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	694,197	526,487	-		
Encumbered	-	-	9,300	9,950	33,999	275,621	-		
Total General Government CIP	Available	35,000	30,858	16,575	80,433	315,902	100,000	137,000	715,768
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	934,358	1,243,385	278,889	263,274		
Encumbered	-	-	1,355	9,908	34,951	33,550	190,022		
Total Facilities CIP	Available	-	-	19,199	1,734	24,664	155,561	726,704	927,862
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	179,055	41,700		
Encumbered	-	-	-	-	-	1,327	-		
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	257,845	363,644	323,147	377,246	-	-		
Encumbered	5,838	17,525	5,223	4,312	22,662	-	-		
Total DPW CIP	Available	-	9,631	46,132	541	92	-	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	1,361,987	2,079,587	2,104,996	2,509,828	1,084,507	382,357		
Encumbered	5,838	17,525	15,878	24,170	91,611	321,423	190,022		
Total Town CIP	Available	50,796	40,489	87,767	95,911	350,659	305,178	1,252,621	2,183,420
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	2,481,808	3,569,212	3,141,535	3,455,389	1,908,992	881,288		
Encumbered	5,838	17,525	15,878	24,170	135,596	523,921	310,585		
Grand Total	Available	50,796	40,667	93,784	99,372	372,713	428,195	1,818,128	2,903,656