



TOWN OF ANDOVER *Finance & Budget*

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Accounting Department

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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, Keith Taverna,
Martha Sybert, Tara Bicknell, Town Website

Date: April 5, 2023

Re: ***FY 2023 Financials***

The attached reports summarize the Town's financial position through February 28, 2023. Included are the following:

- Executive Summary
- Budgeted versus Actual Revenues – General Fund and Enterprise Funds
- Revenue Comparison Graphs
- Personal Services and Other Expenditures by Department
- Reserve Account and Compensation Fund Analysis
- Chapter 44 § 53 E ½ Revolving Funds
- Capital Projects status – FY17 – FY23

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

The attached reports of the Town Accountant summarize FY 2023 revenues and expenditures for the General Fund, Enterprise Funds, Compensation Fund, Reserve Fund, Revolving Funds and Capital Projects through February 28, 2023.

General Fund

The total general fund receipts of all sources collected through February 28, 2023 are exceeding the annual projections through the first eight months of the year. FY 2023 local receipts are \$2,017,103 greater than FY 2022 collections through the same period of time. This is primarily due to the increase in investment income as interest rates have risen, the increase in building permits, as there was one very large permit in December, and the increase in hotel motel and meals tax revenue, as more people are dining out and traveling as compared to last year. Total off-set receipts collections are consistent with collections through the same period of time last fiscal year. Recreation has changed the timing of summer registrations, so revenue will be collected later in the fiscal year and people have become comfortable riding in ambulances again after the pandemic. General fund personal services and other expenditures are in line with FY 2023 projections through January 2023. Insurance premiums and the required appropriation for pension were paid in July and the OPEB appropriation was transferred in November. Encumbrances are adjusted throughout the year.

Water Enterprise Fund

The total water enterprise fund collections are exceeding the annual projections through February 2023. The user charges receipts are \$1,111,644 greater than FY22 through the same period of time because there were drier summer conditions, resulting in more consumption for FY23. Water personal services and other expenses are in line with FY 2023 projections through February 2023.

Sewer Enterprise Fund

The total sewer enterprise fund collections are lower than annual projections through February 2023. The user charges receipts are \$299,641 more than prior year receipts

through the same period. The greater collections are correlated with the larger water collections through this period. Sewer personal services are lower than the FY 2023 projections through February 2023. Other expenses are in line with projections through February 2023.

Reserve Fund

Town Meeting approved a reserve fund balance of \$200,000. The Finance Committee authorized \$34,800 to be spent on the replacement of three boiler sections at the West Elementary School.

Compensation Fund

Town Meeting approved a compensation fund balance of \$848,339. This money has not been used through February 2023.

Revolving Accounts

Town Meeting voted to approve 16 revolving funds with a total spending limit of \$2,490,000.

Capital Projects

These projects are part of the Town's capital improvement plan voted at Town Meeting from taxation. There is a balance of \$3,297,374 available for the most recent seven years of approved projects.

Town of Andover
FY 2023 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 2/28/2023 and 2/28/2022

Local Receipts	FY 23 Budgeted Receipts	FY 23 YTD Revenues	% Collected	FY 22 Budgeted Receipts	FY 22 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Motor Vehicle Excise	5,651,834	1,569,406	27.8%	5,595,875	2,251,394	40.2%	55,959	(681,988)
Hotel/Motel/Meals	1,799,000	1,613,810	89.7%	1,475,000	1,239,237	84.0%	324,000	374,572
Penalties and Interest on Taxes and Excises	480,000	246,450	51.3%	480,000	392,255	81.7%	-	(145,805)
Fees	61,000	31,918	52.3%	61,000	125,270	205.4%	-	(93,352)
Payments in Lieu of Taxes	451,731	2,016	0.4%	440,713	2,016	0.5%	11,018	-
Other Departmental Revenues	213,000	238,910	112.2%	294,200	129,706	44.1%	(81,200)	109,205
Other Departmental Revenues - School Medicare	200,000	230,552	115.3%	200,000	418,036	209.0%	-	(187,484)
Non-Recurring Revenues	5,000	61,100	1222.0%	5,800	5,863	101.1%	(800)	55,237
Licenses and Permits	2,377,540	2,211,361	93.0%	2,354,000	1,745,182	74.1%	23,540	466,179
Fines & Forfeits	132,500	101,177	76.4%	227,000	91,339	40.2%	(94,500)	9,838
Investment Income	204,000	2,218,592	1087.5%	200,000	107,845	53.9%	4,000	2,110,748
Special Assessments	-	43	N/A	-	90	N/A	-	(46)
Total Estimated Receipts	11,575,605	8,525,336	73.6%	11,333,588	6,508,233	57.4%	242,017	2,017,103

Off-Set Receipts	FY 23 Budgeted Receipts	FY 23 YTD Revenues	% Collected	FY 22 Budgeted Receipts	FY 22 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Recreation	531,531	203,419	38.3%	393,510	458,465	116.5%	138,021	(255,046)
Elder Services	106,000	70,477	66.5%	106,000	84,420	79.6%	-	(13,943)
Public Facilities - Rental Receipts	40,000	56,481	141.2%	20,000	64,881	324.4%	20,000	(8,400)
Cemetery - Interment Fees	60,000	46,276	77.1%	60,000	41,835	69.7%	-	4,441
Public Safety - Police Detail Fees	60,000	50,089	83.5%	60,000	63,459	105.8%	-	(13,370)
Public Safety / Fire - Ambulance Receipts	1,300,000	1,095,223	84.2%	1,250,000	881,856	70.5%	50,000	213,367
Total Off-Set Receipts	2,097,531	1,521,965	72.6%	1,889,510	1,594,916	84.4%	208,021	(72,951)

Other Revenues	FY 23 Budgeted Receipts	FY 23 YTD Revenues	% Collected	FY 22 Budgeted Receipts	FY 22 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Property Taxes (inc. Tax Titles)	174,778,254	128,703,845	73.6%	165,459,877	122,261,896	73.9%	9,318,377	6,441,949
State Aid	14,794,019	9,789,118	66.2%	14,178,409	9,560,713	67.4%	615,610	228,405
Total Other Revenues	189,572,273	138,492,963	73.1%	179,638,286	131,822,609	73.4%	9,933,987	6,670,354
Total Revenues	203,245,409	148,540,263	73.1%	192,861,384	139,925,757.97	72.6%	10,384,025	8,614,505

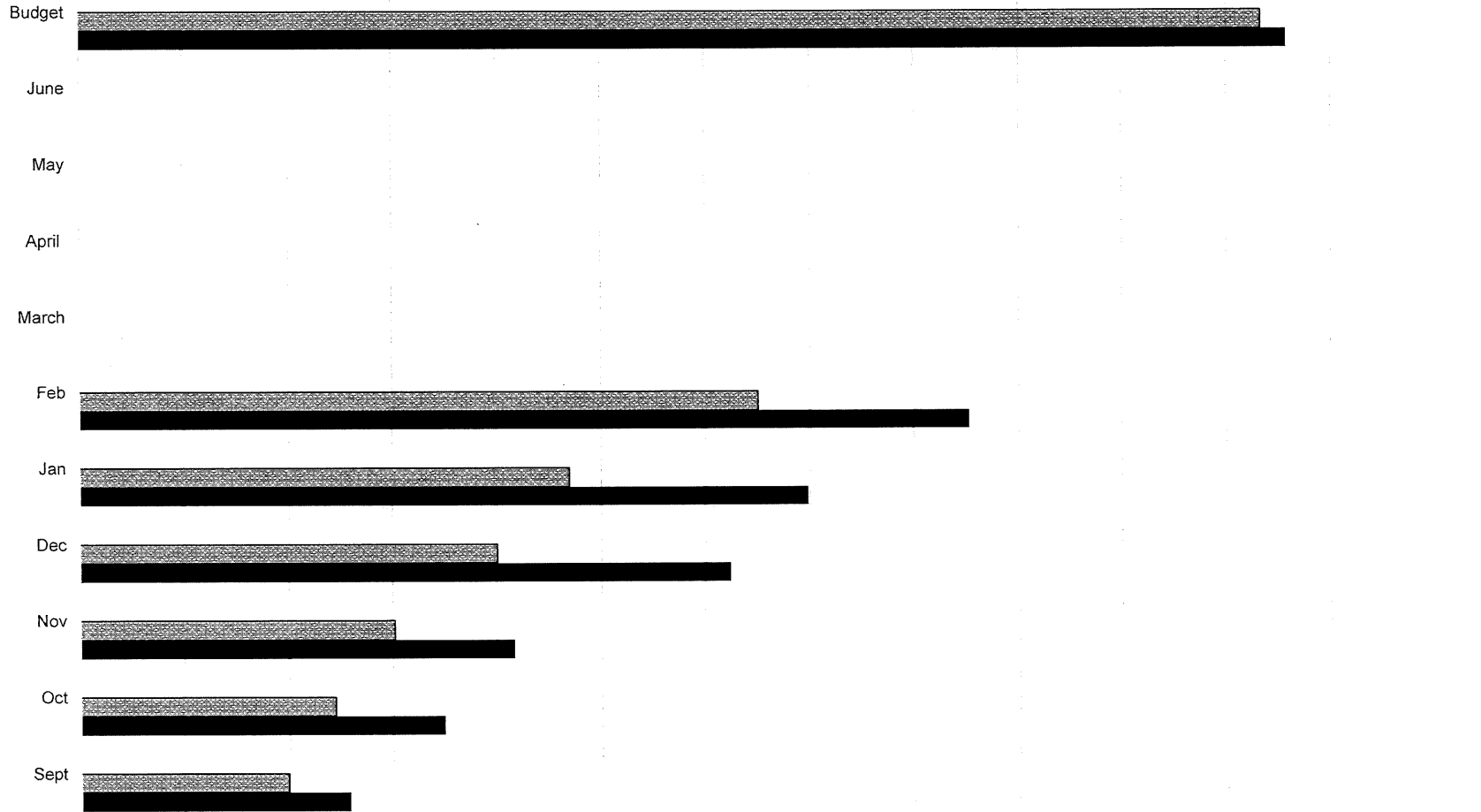
Town of Andover
FY 2023 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 2/28/2023 and 2/28/2022

Water Fund	FY 23 Budgeted Receipts	FY 23 YTD Revenues	% Collected	FY 22 Budgeted Receipts	FY 22 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	10,445,844	7,931,502	75.9%	9,996,766	6,819,858	68.2%	449,078	1,111,644
Water Connection	7,500	3,774	50.3%	41,000	4,403	10.7%	(33,500)	(629)
Water Testing Fees	12,000	5,075	42.3%	18,000	12,140	67.4%	(6,000)	(7,065)
Meter Installations	10,000	5,500	55.0%	9,000	4,050	45.0%	1,000	1,450
Fire Flow Test	5,000	7,000	140.0%	9,000	4,982	55.4%	(4,000)	2,018
Special/Final Reads	25,000	11,836	47.3%	25,000	15,147	60.6%	-	(3,311)
Backflow/Cross Connection Fees	87,500	37,570	42.9%	75,000	64,038	85.4%	12,500	(26,468)
Water Tap	-	1,075	N/A	1,000	600	60.0%	(1,000)	475
Liens	85,000	34,905	41.1%	80,000	42,934	53.7%	5,000	(8,028)
Fire Suppression	280,000	137,205	49.0%	220,000	182,480	82.9%	60,000	(45,275)
Interest /Misc Revenue	2,500	2,409	96.4%	-	1,114	N/A	2,500	1,295
Non-Revenue Interest	7,500	17,421	232.3%	19,000	2,353	12.4%	(11,500)	15,069
Total Water Receipts	10,967,844	8,195,273	74.7%	10,493,766	7,154,097	68.2%	474,078	1,041,175

Sewer Fund	FY 23 Budgeted Receipts	FY 23 YTD Revenues	% Collected	FY 22 Budgeted Receipts	FY 22 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	5,173,301	2,999,303	58.0%	5,086,120	2,699,663	53.1%	87,181	299,641
Committed Interest/Income	110,000	69,941	63.6%	165,000	86,849	52.6%	(55,000)	(16,908)
Liens	55,000	16,741	30.4%	55,000	22,123	40.2%	-	(5,382)
Apport Assmnts	340,000	249,007	73.2%	410,000	274,180	66.9%	(70,000)	(25,173)
Deferred Property Tax	-	10,800	N/A	-	-	N/A	-	10,800
Interest /Misc Revenue	3,500	676	19.3%	-	1,908	N/A	3,500	(1,232)
Non-Revenue Interest	6,500	16,599	255.4%	15,000	1,662	11.1%	(8,500)	14,937
Total Sewer Receipts	5,688,301	3,363,067	59.1%	5,731,120	3,086,384	53.9%	(42,819)	276,683

Total Enterprise Revenues	16,656,145	11,558,339	69.4%	16,224,886	10,240,481	63.12%	431,259	1,317,858
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Town of Andover Local Receipts FY 2023 and FY 2022

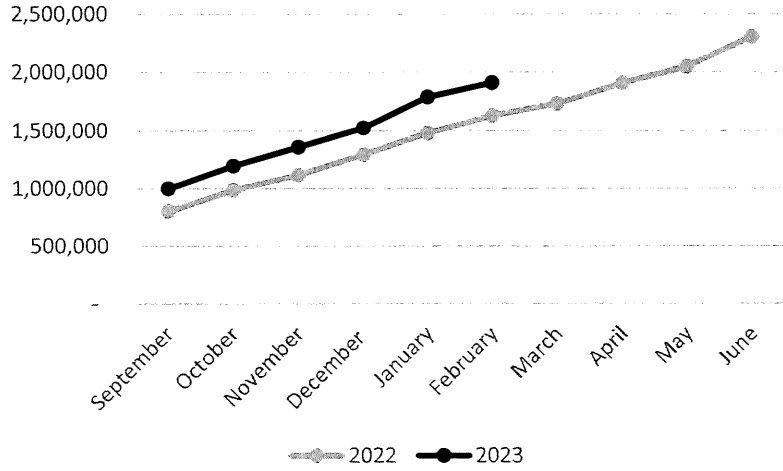


	0	\$1 M	\$2 M	\$3 M	\$4 M	\$5 M	\$6 M	\$7 M	\$8 M	\$9 M	\$10 M	\$11 M	\$12 M	\$13 M
		Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget		
■ FY 2022 % of Budget		17.6%	21.6%	26.6%	35.3%	41.4%	57.4%	0.0%	0.0%	0.0%	0.0%	100.0%		
■ FY 2023 % of Budget		22.3%	30.2%	36.0%	53.9%	60.3%	73.6%	0.0%	0.0%	0.0%	0.0%	100.0%		
■ FY 2022 Receipts		\$1,989,405	\$2,444,067	\$3,015,542	\$4,004,836	\$4,695,288	\$6,508,233					\$11,333,588		
■ FY 2023 Receipts		\$2,577,784	\$3,494,520	\$4,161,602	\$6,236,788	\$6,982,570	\$8,525,336					\$11,575,605		

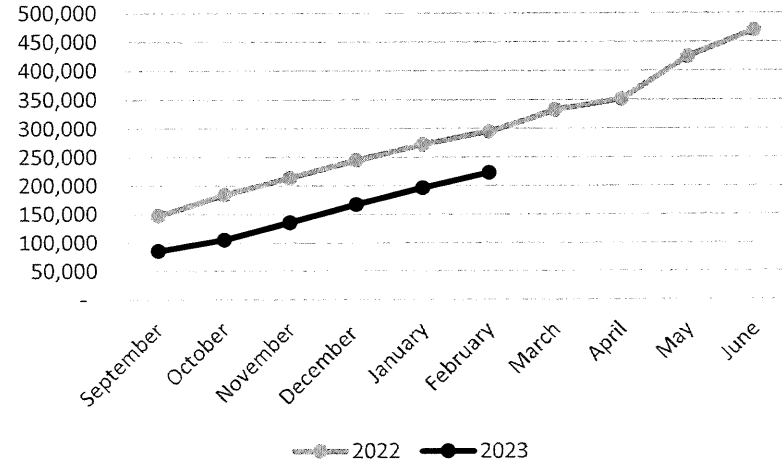
Town of Andover
FY 2023 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 2/28/2023

	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	7,511,444	27,661	7,539,105	4,601,216	-	2,937,889	61.0%	61.0%
Community Services	1,879,000	-	1,879,000	1,169,366	-	709,634	62.2%	62.2%
Public Facilities	2,592,091	-	2,592,091	1,613,588	-	978,503	62.3%	62.3%
Public Safety - Fire	8,611,698	14,621	8,626,319	5,663,893	14,621	2,947,805	65.8%	65.7%
Public Safety - Police	8,116,962	-	8,116,962	5,211,050	-	2,905,912	64.2%	64.2%
Public Works	3,834,283	-	3,834,283	2,449,551	-	1,384,732	63.9%	63.9%
Library	2,307,538	-	2,307,538	1,418,362	-	889,176	61.5%	61.5%
School	77,899,943	-	77,899,943	41,569,421	35,921,411	409,110	99.5%	53.4%
Compensation Fund	848,339	-	848,339	-	-	848,339	0.0%	0.0%
Total Personal Services - General Fund	113,601,298	42,282	113,643,580	63,696,449	35,936,032	14,011,099	87.7%	56.0%
Water Enterprise	2,343,272	-	2,343,272	1,488,239	-	855,033	63.5%	63.5%
Sewer Enterprise	357,873	1,794	359,667	155,606	-	204,061	43.3%	43.3%
Total Personal Services - Enterprise Funds	2,701,145	1,794	2,702,939	1,643,845	-	1,059,095	60.8%	60.8%
Other Expenses								
General Government	2,721,202	222,087	2,943,289	1,910,583	364,898	667,807	77.3%	64.9%
Community Services	610,024	65,776	675,800	222,778	132,843	320,178	52.6%	33.0%
Public Facilities	1,354,850	193,418	1,548,268	740,945	468,773	338,550	78.1%	47.9%
Public Safety - Fire	612,050	62,985	675,035	427,240	73,541	174,255	74.2%	63.3%
Public Safety - Police	1,018,318	79,609	1,097,927	569,866	228,910	299,152	72.8%	51.9%
Public Works	5,888,050	353,729	6,241,779	4,015,229	1,882,725	343,825	94.5%	64.3%
Library	666,437	37,072	703,509	434,890	132,458	136,160	80.6%	61.8%
School	17,226,948	1,576,330	18,803,278	12,277,868	7,498,770	(973,360)	105.2%	65.3%
Technical Schools	1,274,000	-	1,274,000	867,442	331,643	74,915	94.1%	68.1%
Debt Service	23,333,890	-	23,333,890	18,317,989	-	5,015,901	78.5%	78.5%
Insurance	1,164,000	6,313	1,170,313	1,134,542	16,792	18,979	98.4%	96.9%
Health Insurance	23,034,797	-	23,034,797	10,487,990	-	12,546,807	45.5%	45.5%
Unemployment	164,000	-	164,000	66,819	21,689	75,492	54.0%	40.7%
Retirement	6,253,955	-	6,253,955	6,253,956	-	(1)	100.0%	100.0%
Reserve Fund	200,000	(34,800)	165,200	-	-	165,200	0.0%	0.0%
OPEB Appropriation	1,753,413	-	1,753,413	1,753,413	-	-	100.0%	100.0%
Total Other Expenses - General Fund	87,275,934	2,562,519	89,838,453	59,481,549	11,153,043	19,203,860	78.6%	66.2%
Water Enterprise	7,727,574	1,097,243	8,824,817	5,886,030	2,214,154	724,634	91.8%	66.7%
Sewer Enterprise	4,580,540	621,368	5,201,908	3,489,985	1,001,768	710,154	86.3%	67.1%
Total Other Expenses - Enterprise Funds	12,308,114	1,718,612	14,026,726	9,376,015	3,215,922	1,434,788	89.8%	66.8%
Total - General Fund	200,877,232	2,604,801	203,482,033	123,177,998	47,089,075	33,214,959	83.7%	60.5%
Total - Enterprise Funds	15,009,259	1,720,406	16,729,665	11,019,860	3,215,922	2,493,883	85.1%	65.9%

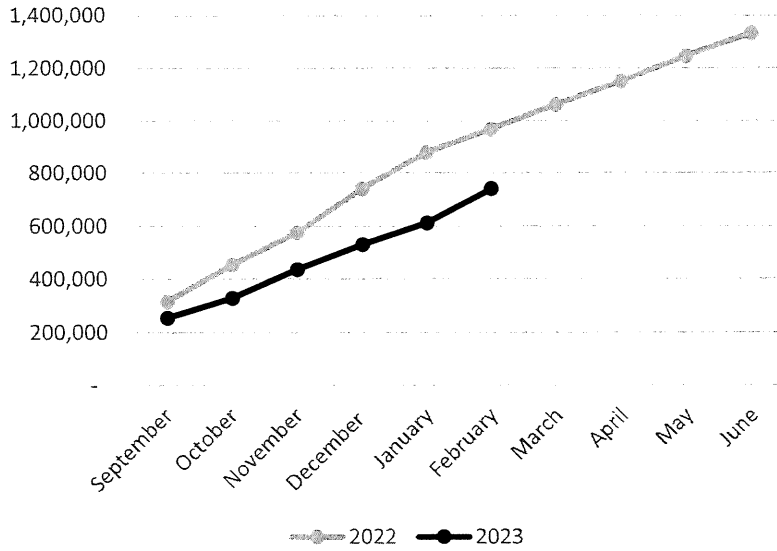
General Government Expenses



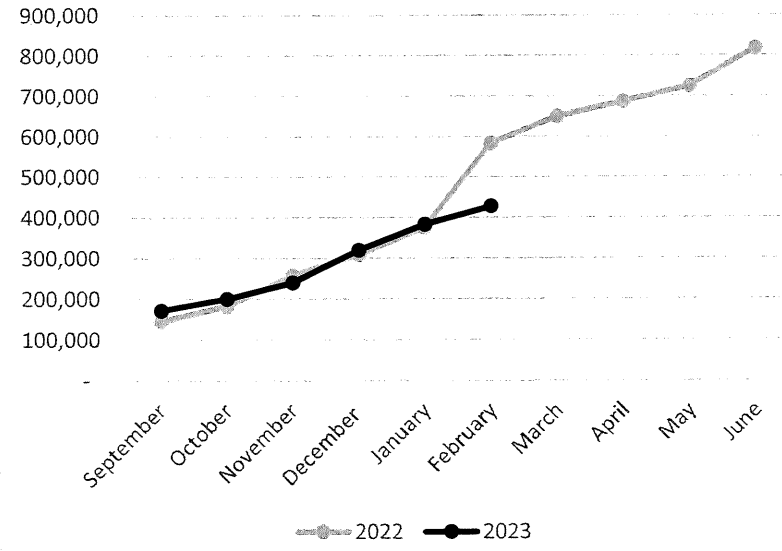
Community Services Expenses



Public Facilities Expenses

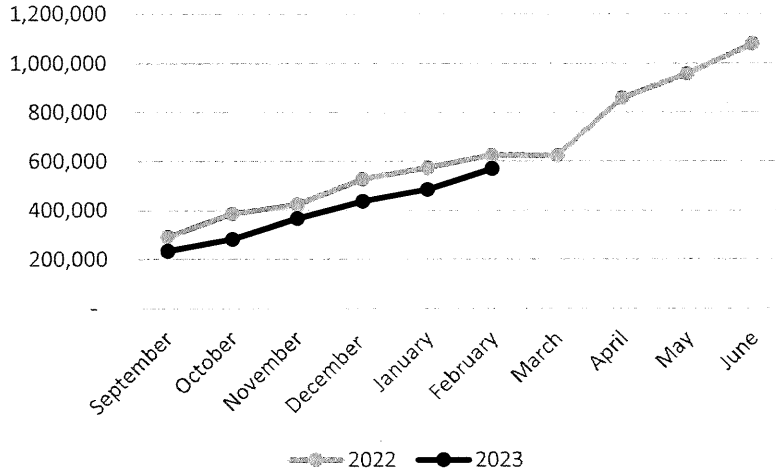


Fire Expenses

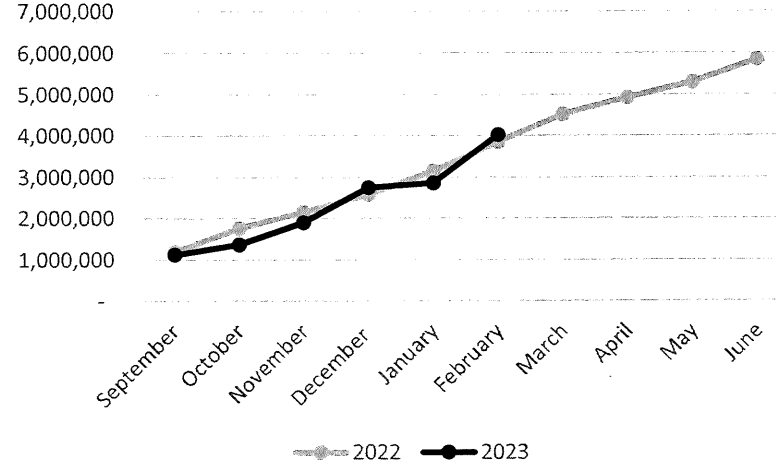


*Expenses vary from year to year due to timing and departmental needs, but can still be on budget.

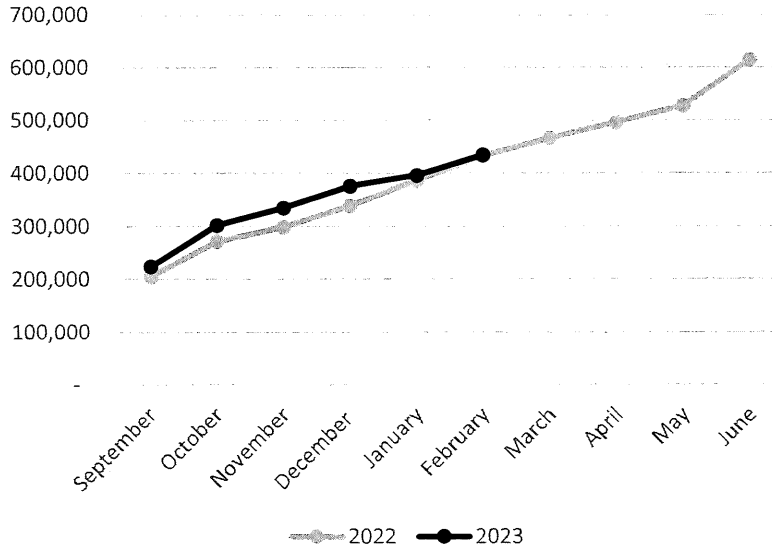
Police Expenses



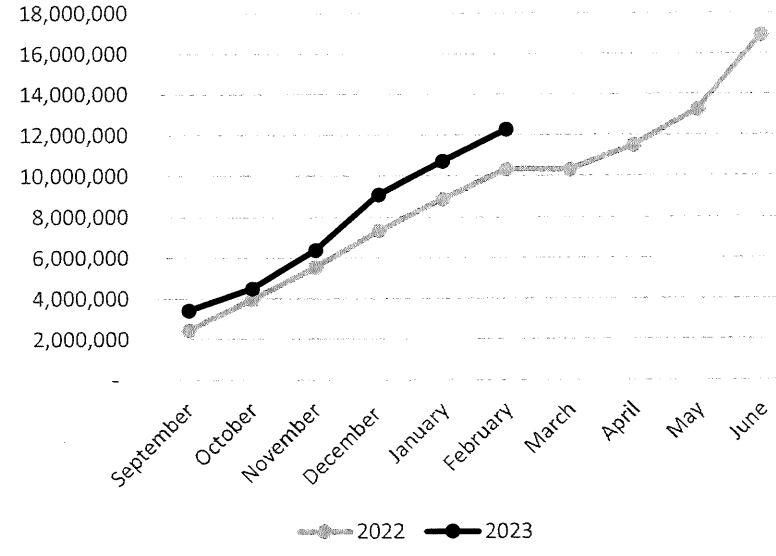
Public Works Expenses



Library Expenses

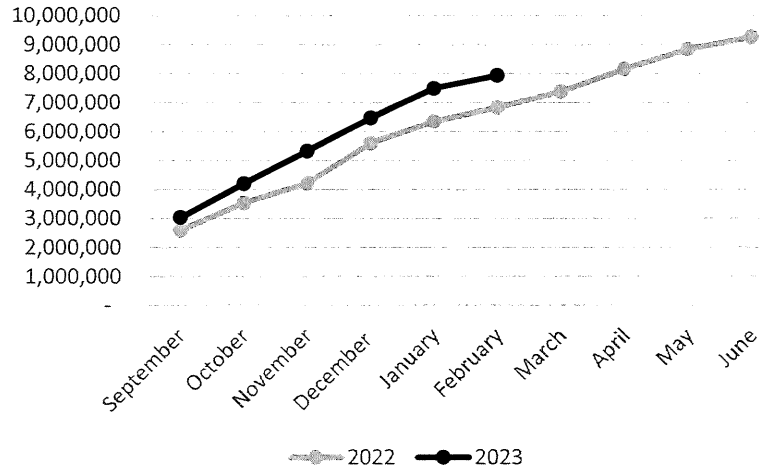


School Expenses

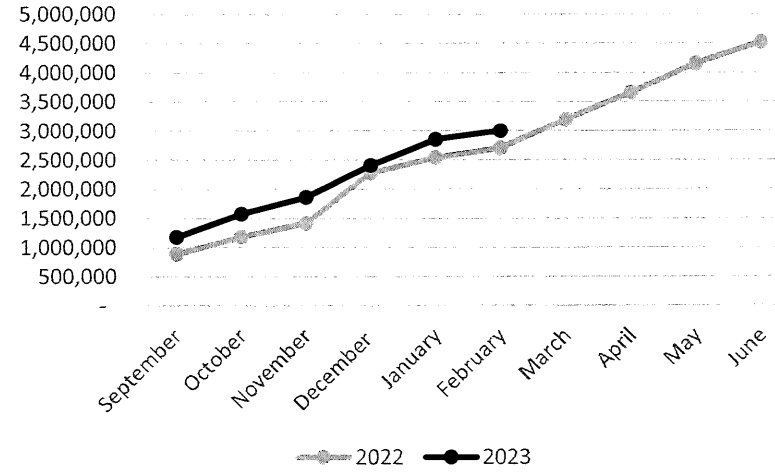


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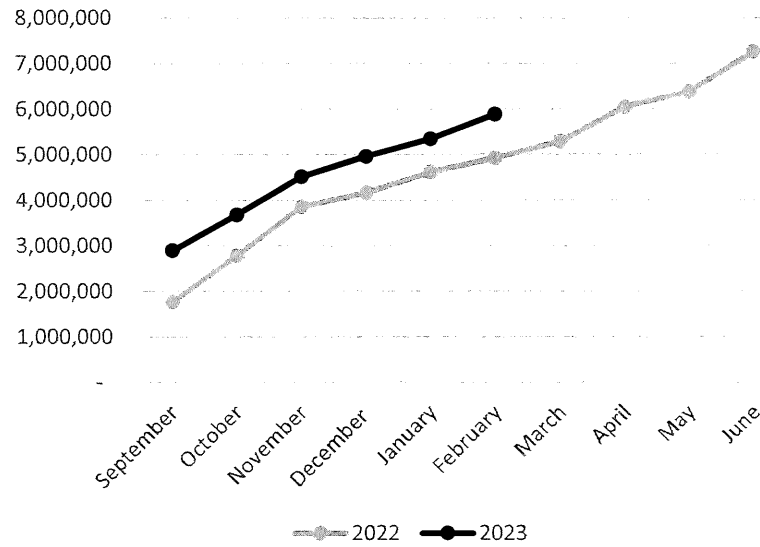
Water User Charges



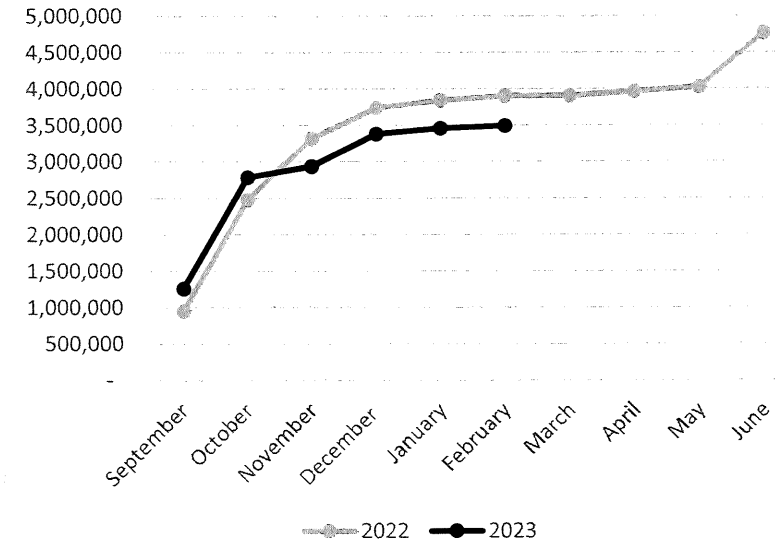
Sewer User Charges



Water Other Expenses



Sewer Other Expenses



*Expenses vary from year to year due to timing and departmental needs, but can still be on budget.

Town of Andover
FY 2023 Reserve Account and Compensation Fund
As of 2/28/23

RESERVE FUND

Appropriation by Vote of Town Meeting June 2022	\$ 200,000.00
Transfers by Vote of Town Meeting	0.00
Transfers by Authority of the Finance Committee	
Replacement of three boiler sections at West Elementary	(34,800.00)
Available Balance	<u>\$ 165,200.00</u>

COMPENSATION FUND

Appropriation by Vote of Town Meeting June 2022	\$ 848,339.00
Transfers by Vote of Town Meeting	0.00
Transfer by Authority of the Select Board	0.00
Available Balance	<u>\$ 848,339.00</u>

Town of Andover
FY 2023 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 2/28/23

	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 Managemen Acct 5668	Fire Emergency Billing Acct 5669	Health Services Inspections Acct 5670	School Professional Development Acct 4500	Student Technology Rental Acct 4260
Balance thru 6/30/2021	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 6/30/2022	29,730	4,119	44,490	1,866,865	156,582	77,050	83,795	6,930	12,638	26,010	29,665	0	0	57,435	0	53,950
Expenditures thru 6/30/2022	26,692	541	29,882	1,223,055	144,976	30,352	75,530	0	0	4,174	16,550	0	0	27,363	0	20,624
Balance thru 6/30/2022	24,288	18,086	13,920	1,041,162	341,339	155,602	141,987	53,645	41,855	36,333	89,403	0	681	150,066	3,279	46,503
Receipts thru 2/28/2023	20,765	2,568	41,063	1,068,745	179,174	46,851	72,111	1,737	5,445	5,907	11,150	0	0	56,310	0	1,695
Expenditures thru 2/28/2023	14,083	0	33,114	988,652	127,776	10,269	52,966	0	0	29,568	22,008	0	0	14,525	95	29,624
Balance thru 2/28/2023	30,969	20,653	21,868	1,121,255	392,737	192,185	161,132	55,382	47,300	12,672	78,545	0	681	191,851	3,184	18,574

Spending Authorization	\$20,000	\$20,000	\$60,000	\$1,000,000	\$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	70.42%	0.00%	55.19%	98.87%	31.94%	6.85%	23.54%	0.00%	0.00%	49.28%	55.02%	0.00%	0.00%	14.53%	0.19%	14.81%

**Town of Andover
Capital Projects
2/28/2023**

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>Total Available</u>
Budget	1,120,000	1,495,643	1,040,000	1,011,600	1,150,000	1,185,000	1,271,500	
Expended	1,120,000	1,495,643	1,040,000	992,392	1,028,456	1,005,584	534,822	
Encumbered	-	-	-	9,460	37,633	70,326	182,503	
Total School CIP	Available	-	-	9,748	83,910	109,090	554,175	756,923
Budget	222,000	579,018	487,000	1,044,098	902,108	137,000	150,000	
Expended	192,000	555,672	403,221	795,097	802,108	59,550	5,175	
Encumbered	-	9,300	38,223	26,381	-	27,802	5,810	
Total General Government CIP	Available	30,000	14,046	45,555	222,620	100,000	139,016	600,885
Budget	-	32,214	-	-	-	-	-	
Expended	-	32,214	-	-	-	-	-	
Encumbered	-	-	-	-	-	-	-	
Total Youth Services CIP	Available	-	-	-	-	-	-	-
Budget	50,000	-	-	-	-	-	-	
Expended	50,000	-	-	-	-	-	-	
Encumbered	-	-	-	-	-	-	-	
Total Recreation CIP	Available	-	-	-	-	-	-	-
Budget	25,000	-	-	10,000	50,000	-	-	
Expended	25,000	-	-	-	15,000	-	-	
Encumbered	-	-	-	10,000	-	-	-	
Total Library CIP	Available	-	-	-	35,000	-	-	35,000
Budget	623,000	800,000	946,000	1,303,000	468,000	1,180,000	1,165,000	
Expended	623,000	781,647	942,264	1,297,971	367,280	606,298	48,096	
Encumbered	-	18,348	259	1,254	15,325	192,160	61,373	
Total Facilities CIP	Available	-	5	3,477	3,775	85,395	381,542	1,529,725
Budget	195,000.00	293,500.00	250,077.00	195,000.00	195,000.00	255,000.00	-	
Expended	195,000.00	293,500.00	249,158.90	195,000.00	179,055.49	77,566.10	-	
Encumbered	-	-	-	-	15,945	97,818.41	-	
Total Police CIP	Available	-	918	-	-	79,615.49	-	80,533.59
Budget	20,000	63,500	214,000	-	96,000	88,000	-	
Expended	20,000	61,352	201,715	-	96,000	77,383	-	
Encumbered	-	-	-	-	-	-	-	
Total Fire CIP	Available	-	2,148	12,285	-	10,617	-	25,050
Budget	285,000	415,000	328,000	400,000	-	165,000	170,000	
Expended	275,370	366,154	323,147	399,026	-	20,277	-	
Encumbered	-	1,944	-	881	-	106,944	-	
Total DPW CIP	Available	9,631	46,902	4,853	92	37,779	170,000	269,257
Budget	1,420,000	2,183,232	2,225,077	2,952,098	1,711,108	1,825,000	1,485,000	
Expended	1,380,370	2,090,539	2,119,506	2,687,094	1,459,443	841,073	53,270	
Encumbered	-	29,592	38,482	38,516	31,270	424,725	67,183	
Total Town CIP	Available	39,631	63,100	67,088	226,488	559,202	1,364,547	2,540,450
Budget	2,540,000	3,678,875	3,265,077	3,963,698	2,861,108	3,010,000	2,756,500	
Expended	2,500,370	3,586,182	3,159,506	3,679,485	2,487,900	1,846,657	588,093	
Encumbered	-	29,592	38,482	47,976	68,903	495,051	249,686	
Grand Total	Available	39,631	63,100	67,088	236,236	304,305	1,918,721	3,297,374