



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: May 8, 2023

Re: ***FY 2023 Financials***

The attached reports summarize the Town's financial position through March 31, 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 March 31, 2023.

General Fund

The total general fund receipts of all sources collected through March 31, 2023 are exceeding the annual projections through the first nine months of the year. FY 2023 local receipts are \$3,399,808 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 \$267,791 greater than FY 2022 collections, primarily due to the increase in ambulance receipts as people have become comfortable riding in ambulances again after the pandemic. General fund personal services are lower than and other expenditures are in line with FY 2023 projections through March 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 March 2023. The user charges receipts are \$1,363,829 greater than FY22 through the same period of time because there were drier summer conditions, resulting in more consumption for FY23. Water personal services are lower than and other expenses are in line with FY 2023 projections through March 2023.

Sewer Enterprise Fund

The total sewer enterprise fund collections are lower than annual projections through March 2023. The user charges receipts are \$373,310 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 and other expenses are in line with projections through March 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 March 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 \$3,111,219 available for the most recent seven years of approved projects.

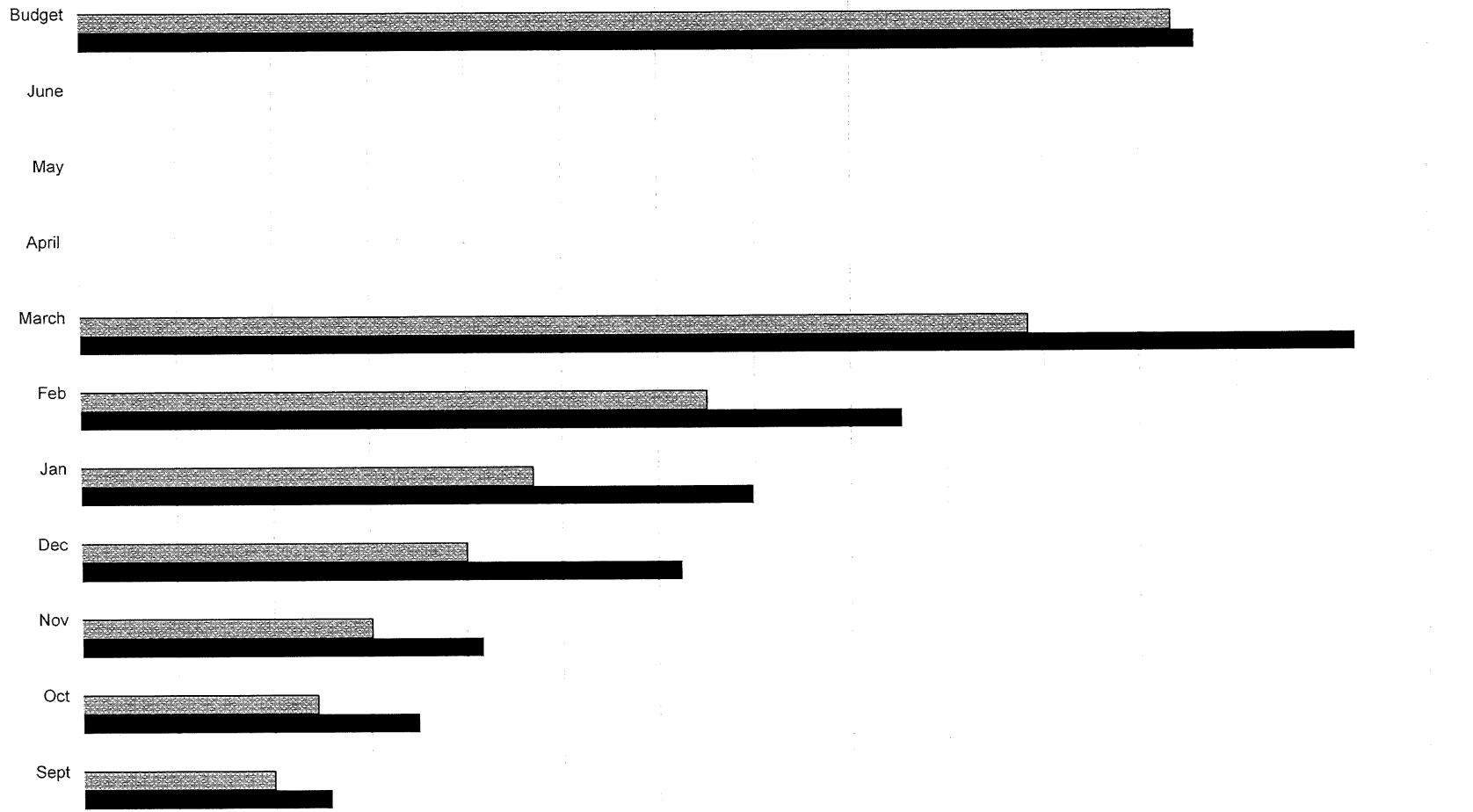
Town of Andover
FY 2023 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 3/31/2023 and 3/31/2022

	FY 23 Budgeted	FY 23 YTD	%	FY 22 Budgeted	FY 22 YTD	%	Change in	Change in
Local Receipts	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Motor Vehicle Excise	5,651,834	4,665,196	82.5%	5,595,875	4,828,766	86.3%	55,959	(163,571)
Hotel/Motel/Meals	1,799,000	2,222,429	123.5%	1,475,000	1,701,618	115.4%	324,000	520,811
Penalties and Interest on Taxes and Excises	480,000	266,566	55.5%	480,000	413,554	86.2%	-	(146,988)
Fees	61,000	34,048	55.8%	61,000	132,590	217.4%	-	(98,542)
Payments in Lieu of Taxes	451,731	2,016	0.4%	440,713	2,016	0.5%	11,018	-
Other Departmental Revenues	213,000	291,837	137.0%	294,200	147,160	50.0%	(81,200)	144,677
Other Departmental Revenues - School Medicare	200,000	310,878	155.4%	200,000	418,036	209.0%	-	(107,158)
Non-Recurring Revenues	5,000	61,100	1222.0%	5,800	9,492	163.7%	(800)	51,608
Licenses and Permits	2,377,540	2,647,578	111.4%	2,354,000	1,960,110	83.3%	23,540	687,467
Fines & Forfeits	132,500	114,410	86.3%	227,000	101,076	44.5%	(94,500)	13,334
Investment Income	204,000	2,619,542	1284.1%	200,000	121,325	60.7%	4,000	2,498,217
Special Assessments	-	43	N/A	-	90	N/A	-	(46)
Total Estimated Receipts	11,575,605	13,235,643	114.3%	11,333,588	9,835,835	86.8%	242,017	3,399,808
Off-Set Receipts	FY 23 Budgeted	FY 23 YTD	%	FY 22 Budgeted	FY 22 YTD	%	Change in	Change in
	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Recreation	531,531	446,903	84.1%	393,510	457,838	116.3%	138,021	(10,935)
Elder Services	106,000	89,241	84.2%	106,000	94,823	89.5%	-	(5,581)
Public Facilities - Rental Receipts	40,000	71,040	177.6%	20,000	73,945	369.7%	20,000	(2,904)
Cemetery - Interment Fees	60,000	52,375	87.3%	60,000	43,235	72.1%	-	9,140
Public Safety - Police Detail Fees	60,000	58,762	97.9%	60,000	70,171	117.0%	-	(11,410)
Public Safety / Fire - Ambulance Receipts	1,300,000	1,305,623	100.4%	1,250,000	1,016,142	81.3%	50,000	289,481
Total Off-Set Receipts	2,097,531	2,023,944	96.5%	1,889,510	1,756,153	92.9%	208,021	267,791
Other Revenues	FY 23 Budgeted	FY 23 YTD	%	FY 22 Budgeted	FY 22 YTD	%	Change in	Change in
	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Property Taxes (inc. Tax Titles)	174,778,254	129,482,547	74.1%	165,459,877	123,262,182	74.5%	9,318,377	6,220,366
State Aid	14,794,019	11,006,709	74.4%	14,178,409	10,743,172	75.8%	615,610	263,537
Total Other Revenues	189,572,273	140,489,256	74.1%	179,638,286	134,005,354	74.6%	9,933,987	6,483,903
Total Revenues	203,245,409	155,748,842	76.6%	192,861,384	145,597,341.04	75.5%	10,384,025	10,151,501

Town of Andover
FY 2023 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 3/31/2023 and 3/31/2022

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	8,732,864	83.6%	9,996,766	7,369,035	73.7%	449,078	1,363,829
Water Connection	7,500	4,403	58.7%	41,000	4,403	10.7%	(33,500)	-
Water Testing Fees	12,000	5,075	42.3%	18,000	12,490	69.4%	(6,000)	(7,415)
Meter Installations	10,000	5,975	59.8%	9,000	4,725	52.5%	1,000	1,250
Fire Flow Test	5,000	7,000	140.0%	9,000	4,982	55.4%	(4,000)	2,018
Special/Final Reads	25,000	12,236	48.9%	25,000	16,271	65.1%	-	(4,035)
Backflow/Cross Connection Fees	87,500	37,635	43.0%	75,000	64,038	85.4%	12,500	(26,403)
Water Tap	-	1,425	N/A	1,000	600	60.0%	(1,000)	825
Liens	85,000	37,521	44.1%	80,000	51,952	64.9%	5,000	(14,431)
Fire Suppression	280,000	173,836	62.1%	220,000	205,773	93.5%	60,000	(31,936)
Interest /Misc Revenue	2,500	3,560	142.4%	-	1,213	N/A	2,500	2,347
Non-Revenue Interest	7,500	33,671	448.9%	19,000	3,475	18.3%	(11,500)	30,196
Total Water Receipts	10,967,844	9,055,200	82.6%	10,493,766	7,738,956	73.7%	474,078	1,316,245
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	3,567,833	69.0%	5,086,120	3,194,523	62.8%	87,181	373,310
Committed Interest/Income	110,000	71,246	64.8%	165,000	89,045	54.0%	(55,000)	(17,799)
Liens	55,000	17,950	32.6%	55,000	32,944	59.9%	-	(14,994)
Apport Assmnts	340,000	256,064	75.3%	410,000	289,464	70.6%	(70,000)	(33,400)
Deferred Property Tax	-	10,800	N/A	-	-	N/A	-	10,800
State Reimb/Grants	-	-	N/A	-	7,218	N/A	-	(7,218)
Interest /Misc Revenue	3,500	717	20.5%	-	2,076	N/A	3,500	(1,360)
Non-Revenue Interest	6,500	36,468	561.0%	15,000	2,437	16.2%	(8,500)	34,031
Total Sewer Receipts	5,688,301	3,961,077	69.6%	5,731,120	3,617,707	63.1%	(42,819)	343,370
Total Enterprise Revenues	16,656,145	13,016,278	78.1%	16,224,886	11,356,663	70.00%	431,259	1,659,615

Town of Andover Local Receipts FY 2023 and FY 2022

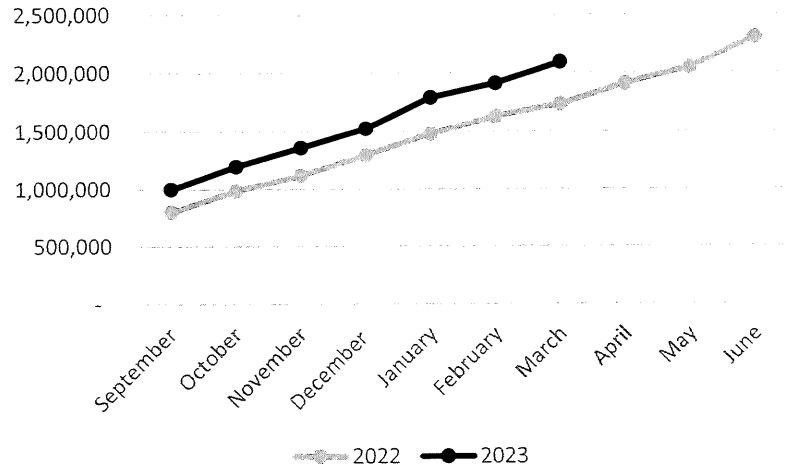


	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget
■ FY 2022 % of Budget	17.6%	21.6%	26.6%	35.3%	41.4%	57.4%	86.8%	0.0%	0.0%	0.0%	100.0%
■ FY 2023 % of Budget	22.3%	30.2%	36.0%	53.9%	60.3%	73.6%	114.3%	0.0%	0.0%	0.0%	100.0%
■ FY 2022 Receipts	\$1,989,405	\$2,444,067	\$3,015,542	\$4,004,836	\$4,695,288	\$6,508,233	\$9,835,835				\$11,333,588
■ FY 2023 Receipts	\$2,577,784	\$3,494,520	\$4,161,602	\$6,236,788	\$6,982,570	\$8,525,336	\$13,235,773				\$11,575,605

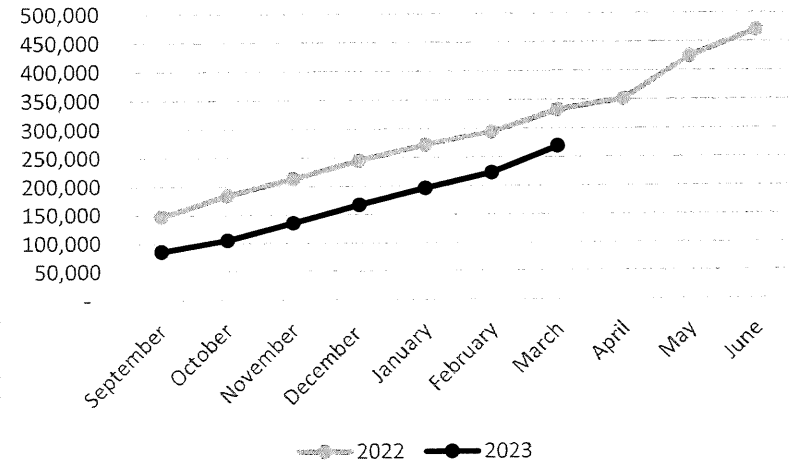
Town of Andover
FY 2023 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 3/31/2023

	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	5,239,696	-	2,299,409	69.5%	69.5%
Community Services	1,879,000	-	1,879,000	1,308,601	-	570,399	69.6%	69.6%
Public Facilities	2,592,091	-	2,592,091	1,865,791	-	726,300	72.0%	72.0%
Public Safety - Fire	8,611,698	14,621	8,626,319	6,484,342	14,621	2,127,356	75.3%	75.2%
Public Safety - Police	8,116,962	-	8,116,962	5,909,852	-	2,207,110	72.8%	72.8%
Public Works	3,834,283	-	3,834,283	2,929,242	-	905,041	76.4%	76.4%
Library	2,307,538	-	2,307,538	1,635,277	-	672,261	70.9%	70.9%
School	77,899,943	-	77,899,943	47,619,972	27,123,826	3,156,145	95.9%	61.1%
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	72,992,772	27,138,447	13,512,361	88.1%	64.2%
Water Enterprise	2,343,272	-	2,343,272	1,696,572	-	646,700	72.4%	72.4%
Sewer Enterprise	357,873	1,794	359,667	179,230	-	180,437	49.8%	49.8%
Total Personal Services - Enterprise Funds	2,701,145	1,794	2,702,939	1,875,802	-	827,137	69.4%	69.4%
	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Other Expenses								
General Government	2,721,202	222,087	2,943,289	2,090,453	315,837	536,999	81.8%	71.0%
Community Services	610,024	65,776	675,800	268,808	147,263	259,729	61.6%	39.8%
Public Facilities	1,354,850	193,418	1,548,268	928,810	395,862	223,596	85.6%	60.0%
Public Safety - Fire	612,050	62,985	675,035	526,661	66,185	82,189	87.8%	78.0%
Public Safety - Police	1,018,318	79,609	1,097,927	700,902	209,026	188,000	82.9%	63.8%
Public Works	5,888,050	353,729	6,241,779	4,943,435	1,602,458	(304,115)	104.9%	79.2%
Library	666,437	37,072	703,509	473,180	104,317	126,012	82.1%	67.3%
School	17,226,948	1,576,330	18,803,278	14,221,289	5,974,299	(1,392,310)	107.4%	75.6%
Technical Schools	1,274,000	-	1,274,000	931,186	267,899	74,915	94.1%	73.1%
Debt Service	23,333,890	-	23,333,890	18,591,644	-	4,742,246	79.7%	79.7%
Insurance	1,164,000	6,313	1,170,313	1,146,509	12,848	10,956	99.1%	98.0%
Health Insurance	23,034,797	-	23,034,797	11,755,980	-	11,278,817	51.0%	51.0%
Unemployment	164,000	-	164,000	88,508	-	75,492	54.0%	54.0%
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	64,674,734	9,095,994	16,067,725	82.1%	72.0%
Water Enterprise	7,727,574	1,097,243	8,824,817	6,884,933	1,539,051	400,834	95.5%	78.0%
Sewer Enterprise	4,580,540	621,368	5,201,908	3,671,013	937,982	592,913	88.6%	70.6%
Total Other Expenses - Enterprise Funds	12,308,114	1,718,612	14,026,726	10,555,946	2,477,033	993,747	92.9%	75.3%
Total - General Fund	200,877,232	2,604,801	203,482,033	137,667,506	36,234,441	29,580,085	85.5%	67.7%
Total - Enterprise Funds	15,009,259	1,720,406	16,729,665	12,431,748	2,477,033	1,820,884	89.1%	74.3%

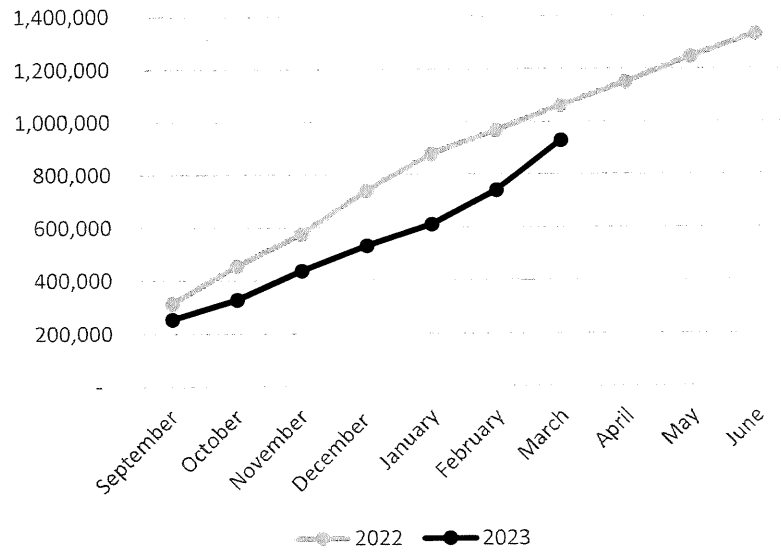
General Government Expenses



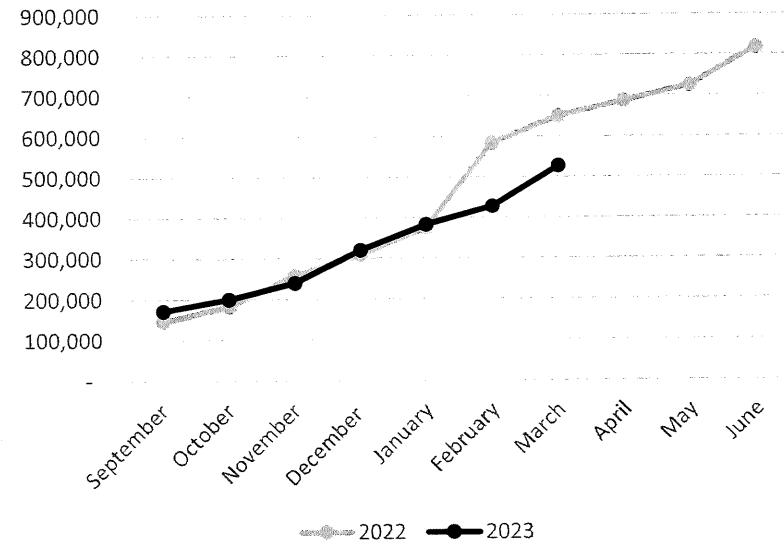
Community Services Expenses



Public Facilities Expenses

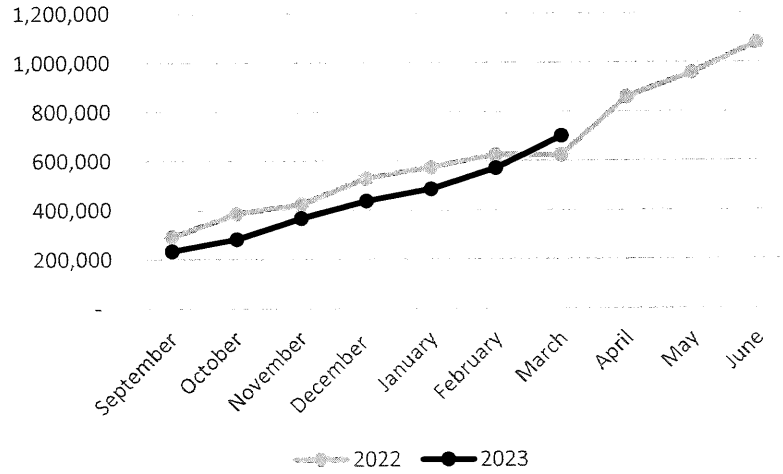


Fire Expenses

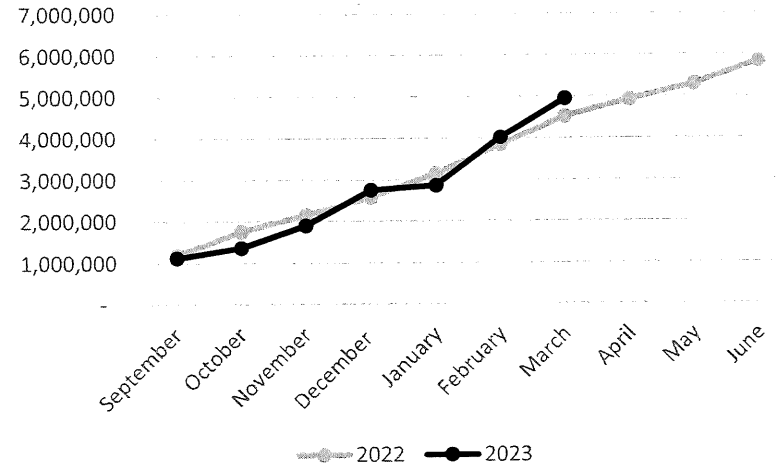


*Expenses vary from year to year due to timing and departmental needs, but can still be on budget.

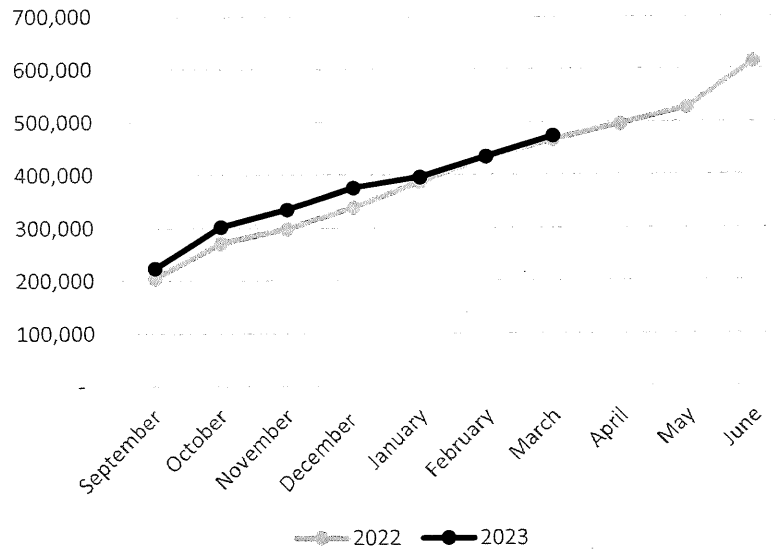
Police Expenses



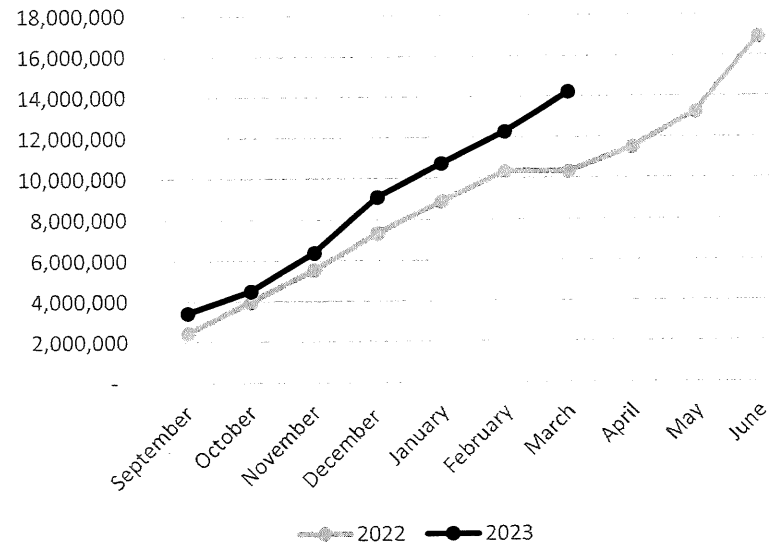
Public Works Expenses



Library Expenses

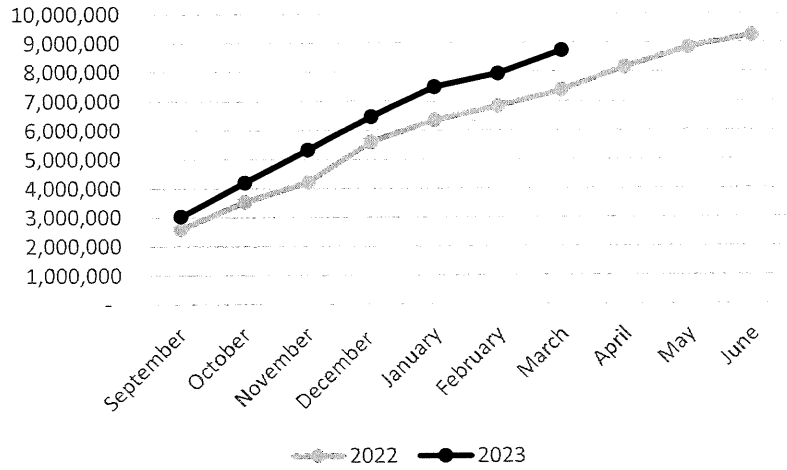


School Expenses

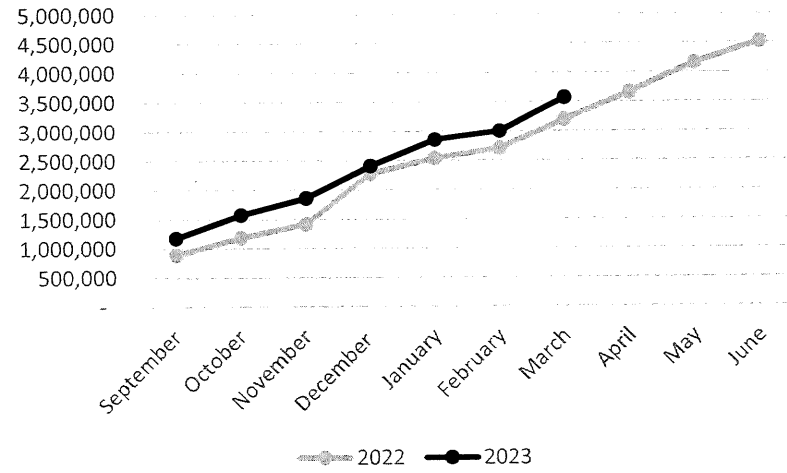


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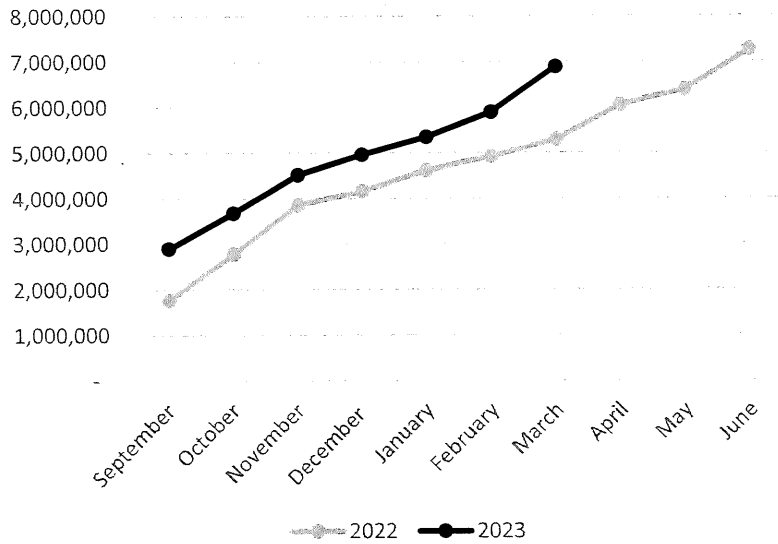
Water User Charges



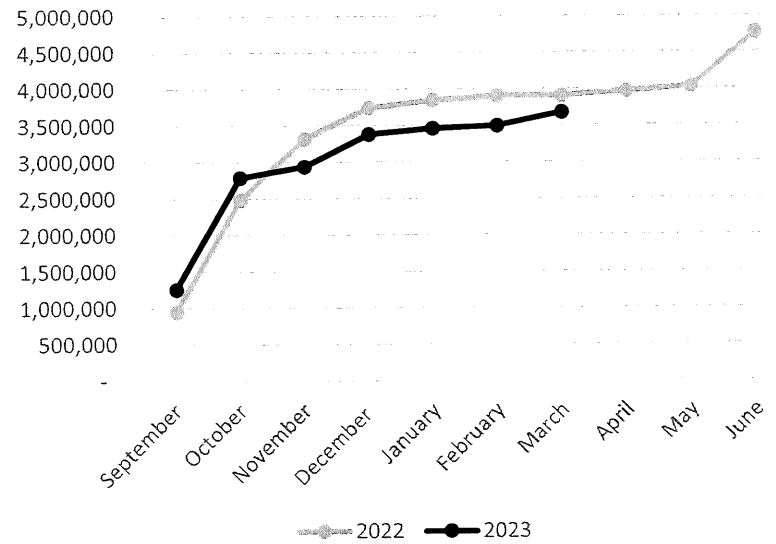
Sewer User Charges



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 3/31/23

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 3/31/23

	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 Managemen	Fire Emergency Billing	Health Services Inspections	School Professional Development	Student Technology Rental
	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	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 3/31/2023	22,915	3,175	43,869	1,580,120	240,712	46,851	81,481	5,247	5,821	11,023	11,250	0	0	57,335	0	1,695
Expenditures thru 3/31/2023	16,532	0	33,114	1,122,010	136,792	10,304	61,811	0	0	29,568	22,308	0	0	14,525	95	29,624
Balance thru 3/31/2023	30,671	21,261	24,674	1,499,273	445,259	192,149	161,656	58,892	47,677	17,788	78,345	0	681	192,876	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	82.66%	0.00%	55.19%	112.20%	34.20%	6.87%	27.47%	0.00%	0.00%	49.28%	55.77%	0.00%	0.00%	14.53%	0.19%	14.81%

**Town of Andover
Capital Projects
3/31/2023**

	<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	993,163	1,036,149	1,046,410	642,350	
Encumbered	-	-	-	8,688	36,743	50,218	103,363	
Total School CIP	Available	-	-	9,748	77,108	88,372	525,786	701,015
Budget	222,000	579,018	487,000	1,044,098	902,108	137,000	150,000	
Expended	192,000	555,672	406,836	808,078	802,108	76,161	5,656	
Encumbered	-	9,300	34,609	23,623	-	27,300	5,810	
Total General Government CIP	Available	30,000	14,046	45,555	212,397	100,000	138,534	574,071
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	1,298,765	367,280	631,733	91,550	
Encumbered	-	18,348	259	460	15,325	188,884	26,567	
Total Facilities CIP	Available	-	5	3,477	3,775	85,395	359,383	1,046,883
Budget	195,000	293,500	250,077	195,000.00	195,000.00	255,000	-	
Expended	195,000	293,500	249,159	195,000.00	179,055.49	77,807	-	
Encumbered	-	-	-	-	15,945	164,057	-	
Total Police CIP	Available	-	918	-	-	13,135	-	14,054
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	431	2,713	4,853	973	-	106,944	-	
Total DPW CIP	Available	9,200	46,132	0	0	37,779	170,000	263,112
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	2,123,121	2,700,869	1,459,443	883,361	97,206	
Encumbered	431	30,362	39,721	35,056	31,270	487,186	32,377	
Total Town CIP	Available	39,200	62,331	62,236	216,173	220,395	1,355,417	2,410,204
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	3,163,121	3,694,032	2,495,593	1,929,772	739,556	
Encumbered	431	30,362	39,721	43,744	68,013	537,403	135,740	
Grand Total	Available	39,200	62,331	62,236	225,922	297,502	1,881,203	3,111,219