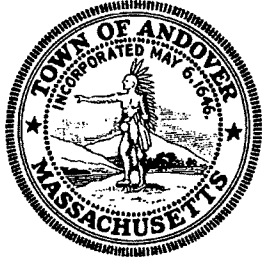


TOWN OF ANDOVER



Town Accountant's Office
36 Bartlet Street
Andover, Massachusetts 01810
(978) 623-8920

To: The Andover Board of Selectmen
The Finance Committee
Superintendent of Schools
Andover School Committee

From: Hayley Green *HG*

CC: Andrew Flanagan, John Mangiaratti, Donna Walsh, Paul Szymanski,
Janet Wright, Tom Watkins, Accounting File, Town Website

Date: October 11, 2017

Re: ***FY 2017 Financials***

The attached reports summarize the Town's financial position through June 30, 2017. 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 Project(s) status – FY10 – FY17

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

The attached reports of the Town Accountant summarize FY 2017 General Fund Revenues and Expenditures - *Preliminary and Unaudited* - through June 30, 2017.

General Fund – Revenues

FY 2017 Total General Fund Collections of all sources collected through June 2017 are \$2.3 million greater than FY 2017 budgeted. FY 2017 General Fund revenues are \$6.8 million greater than FY 2016 General Fund receipts, an increase of 4.4%. Property tax collections are accountable for approximately \$6 million of the increase.

FY 2017 Local Receipts collected through June 2017 are 24.6% greater than budgeted, signs of a rebounding economy. Specifically, the following collections contributed to higher than budgeted collections:

- Motor Vehicle Excise Tax collections are \$860,247 greater than budgeted
- Hotel/Meal Taxes are \$487,260 greater than budgeted
- Payments in Lieu of Taxes are \$132,000 greater than budgeted
- Other Department Revenues are \$57,222 greater than budgeted
- Licenses & Permits are \$1,059,872 greater than budgeted
- School Medicare Payments are \$64,465 greater than budgeted
- Investment Income is \$35,647 greater than budgeted
- Non-Recurring Revenue (FEMA) was \$69,840 and was not budgeted

Off-set receipts, per MGL Chapter 44, Section 53E allow a municipality to appropriate departmental receipts to offset a particular departmental appropriation. FY 2017 Off-Set Receipts are 9.1% or \$188,949 greater than budgeted.

General Fund – Personal Services

FY 2017 General Fund Personal Services Expenses plus Encumbrances total \$90,762,524, which is \$1,048,222 *less* than FY 2017 Budgeted.

General Fund – Other Expenses

FY 2017 General Fund Other Expenses plus Encumbrances total \$70,474,654, which is \$1,039,465 *less* than FY 2017 Budgeted.

General Fund Expenditures less than budgeted:

• Personal Services – General Government	\$ 212,135
• Personal Services – Community Services	\$ 241
• Personal Services – Municipal Services(P&F & DPW)	\$ 7,098
• Personal Services – Public Safety(Police & Fire)	\$ 127,368
• Personal Services – School*	\$ 36,135
• Personal Services – Library	\$ 98,434
• Personal Services – Compensation Fund	<u>\$ 566,810</u>
Total Personal Services	\$ 1,048,222
• Other Expenses – General Government	\$ 162,814
• Other Expenses – Community Services	\$ 54,234
• Other Expenses – Municipal Services(P&F & DPW)	\$ 328,155
• Other Expenses – Public Safety(Police & Fire)	\$ 255,846
• Other Expenses – Library	\$ 37,648
• Other Expenses – School*	(\$ 36,135)
• Other Expenses – Technical Schools	\$ 31,220
• Other Expenses – Debt Service	\$ 5,684
• Other Expenses – Reserve Fund	<u>\$ 200,000</u>
Total Other Expenses	\$ 1,039,465

<i>FY 2017 General Fund Surplus Estimate</i>	<i>\$2,087,687</i>
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*At year-end the School Department recorded a \$36,135 deficit in Other Expenses and a \$36,135 surplus in Personal Services. The Andover School budget is moved as one total number at Town Meeting.

The attached reports of the Town Accountant summarize FY 2017 Water and Sewer Revenues and Expenditures - *Preliminary and Unaudited* - through June 30, 2017.

Water Enterprise Fund – Revenues

FY 2017 Total Water Receipts are \$721,312 greater than FY 2017 budgeted. FY 2017 User Charge receipts are \$866,984 greater than budgeted for FY 2017 and \$613,467 greater than FY 2016 User Charge receipts collected. Total FY 2017 Water Billing includes the following:

Town Sections	\$ 6,715,561
Specials	\$ 239,137
North Reading	<u>\$ 1,777,088</u>
Total Billings	\$ 8,731,786
Total User Charges Collected	\$ 8,428,265
% Charges Collected to Billings	96.5%

Effective July 1, 2016, Andover moved to a consumption-based “tiered” model and North Reading’s flat rate will increase 5% annually from the previous year.

Sewer Enterprise Fund– Revenues

FY 2017 Total Sewer Receipts are \$32,995 greater than FY 2017 budgeted. FY 2017 User Charge receipts are \$62,869 less than budgeted for FY 2017 and \$581,110 greater than FY 2016 User Charge receipts collected.

Total FY 2017 Sewer Billing includes the following:

Town Sections	\$ 4,391,482
Specials	<u>\$ 120,352</u>
Total Billings	\$ 4,511,834
Total User Charges Collected	\$ 4,400,778
<hr/>	
% Charges Collected to Billings	97.5%

The increase in FY 2017 Sewer Billings can be attributed to greater consumption.

Water Enterprise Fund – Personal Services and Other Expenses

FY 2017 Water Enterprise Fund Personal Services total \$1,995,639, which is \$74,523 *greater* than FY 2017 Budgeted.

FY 2017 Water Enterprise Fund Other Expenses plus Encumbrances total \$3,684,154, which is \$172,084 *less* than FY 2017 Budgeted.

<i>FY 2017 Water Enterprise Fund Surplus Estimate</i>	<i>\$ 97,561</i>
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Sewer Enterprise – Personal Services and Other Expenses

FY 2017 Sewer Enterprise Personal Services total \$310,061, which is \$12,193 *greater* than FY 2017 Budgeted.

FY 2017 Sewer Enterprise Fund Other Expenses plus Encumbrances total \$2,206,298, which is \$348,466 *less* than FY 2017 Budgeted.

<i>FY 2017 Sewer Enterprise Fund Surplus Estimate</i>	<i>\$ 336,273</i>
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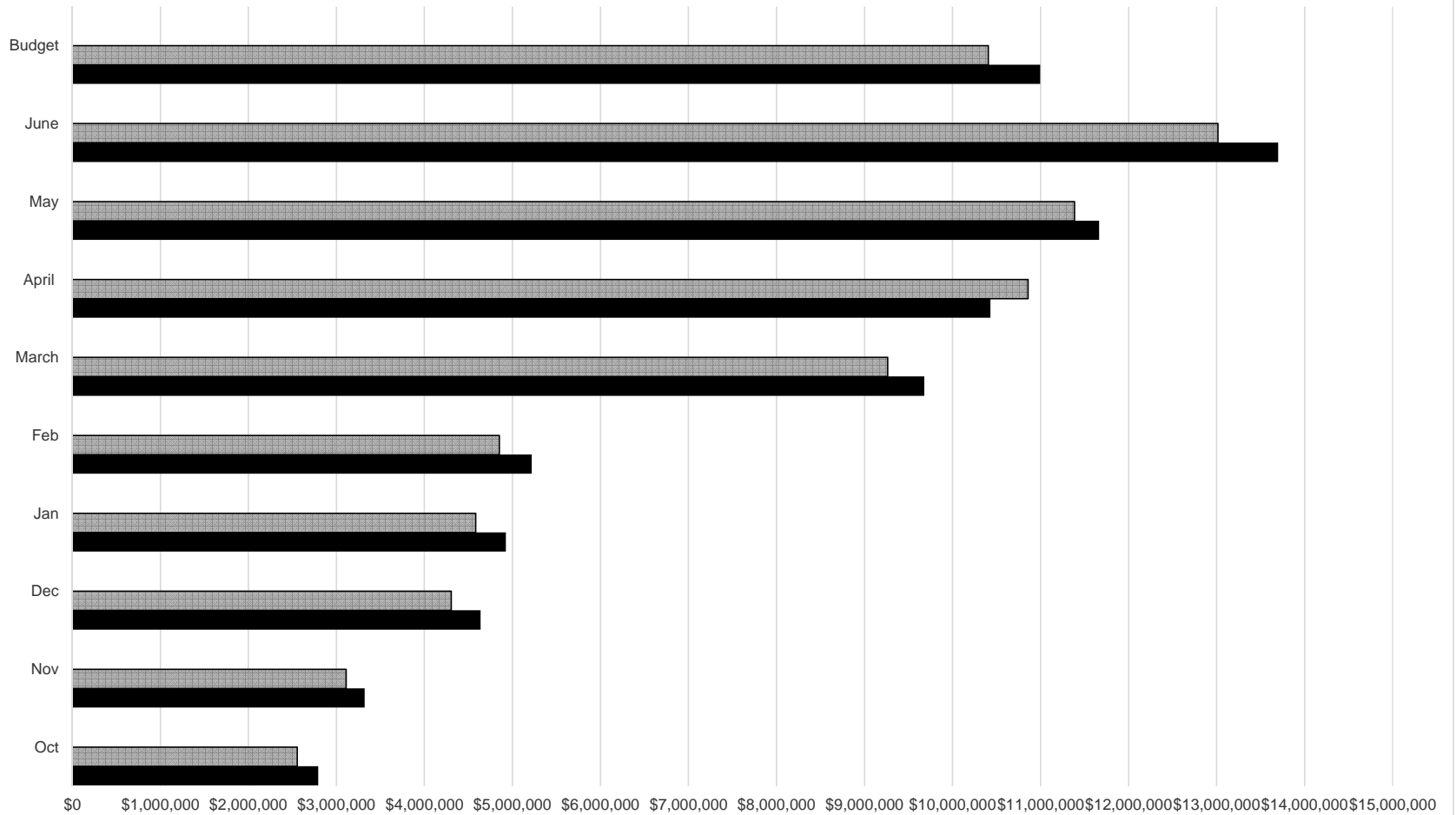
Town of Andover
FY 2017 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 6/30/2017 and 6/30/2016

Estimated Receipts	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	FY 16 Estimated Receipts	FY 16 YTD Revenues	% Collected
Motor Vehicle Excise	5,000,000	5,860,247	117.2%	4,845,000	5,700,798	117.7%
Hotel/Motel/Meals	2,100,000	2,587,260	123.2%	2,055,300	2,318,093	112.8%
Penalties and Interest on Taxes and Excises	430,000	418,104	97.2%	400,000	400,651	100.2%
Fees	78,500	77,779	99.1%	50,000	97,797	195.6%
Payments in Lieu of Taxes	250,000	382,000	152.8%	176,750	314,016	177.7%
Departmental Revenue - Libraries	1,500	420	28.0%	6,000	1,954	32.6%
Other Department Revenues	230,000	287,222	124.9%	230,000	266,151	115.7%
Other Department Revenues - School Medicare	300,000	364,465	121.5%	270,000	446,507	165.4%
Non-Recurring Revenues	-	69,840	N/A	-	-	N/A
Licenses and Permits	2,237,000	3,296,872	147.4%	1,991,000	3,084,254	154.9%
Fines & Forfeits	300,000	245,974	82.0%	331,000	308,378	93.2%
Investment Income	70,428	106,075	150.6%	50,000	72,162	144.3%
Special Assessments	-	2,859	N/A	-	4,208	N/A
Total Estimated Receipts	10,997,428	13,699,117	124.6%	10,405,050	13,014,969	125.1%
Off-Set Receipts	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	FY 16 Estimated Receipts	FY 16 YTD Revenues	% Collected
Recreation	550,000	550,625	100.1%	520,000	521,760	100.3%
Elder Services	97,000	106,238	109.5%	97,000	107,089	110.4%
Plant & Facilities - Rental Receipts	52,000	84,093	161.7%	70,000	102,906	147.0%
Public Safety - Police Detail Fees	75,000	97,195	129.6%	80,000	107,397	134.2%
Cemetery - Interment Fees	46,000	62,524	135.9%	46,000	69,025	150.1%
Public Safety / Fire - Ambulance Receipts	1,250,000	1,358,275	108.7%	1,300,000	1,426,816	109.8%
Total Off-Set Receipts	2,070,000	2,258,949	109.1%	2,113,000	2,334,994	110.5%
Other Revenues	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	FY 16 Estimated Receipts	FY 16 YTD Revenues	% Collected
Property Taxes (inc. Tax Titles)	132,983,361	132,387,515	99.6%	127,696,871	126,404,865	99.0%
State Aid	12,964,455	12,965,256	100.0%	12,724,402	12,798,509	100.6%
Total Other Revenues	145,947,816	145,352,772	99.6%	140,421,273	139,203,374	99.1%
Total Revenues	159,015,244	161,310,837	101.4%	152,939,323	154,553,337	101.1%

Town of Andover
FY 2017 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 6/30/2017 and 6/30/2016

Water Fund	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	FY 16 Estimated Receipts	FY 16 YTD Revenues	% Collected
User Charges	7,561,281	8,428,265	111.5%	7,035,000	7,814,798	111.1%
Water Connection	40,000	143,298	358.2%	10,000	42,210	422.1%
Water Testing Fees	22,000	19,380	88.1%	17,000	25,710	151.2%
Meter Installations	12,000	35,850	298.8%	7,000	12,725	181.8%
Fire Flow Test	6,000	8,500	141.7%	6,000	7,500	125.0%
Special/Final Reads	27,000	29,807	110.4%	23,000	30,520	132.7%
Backflow/Cross Connection Fees	75,000	68,505	91.3%	75,000	73,081	97.4%
Water Tap	-	1,825	N/A	-	900	N/A
Liens	120,000	115,108	95.9%	100,000	135,641	135.6%
Fire Suppression	350,000	83,393	23.8%	45,000	46,640	103.6%
Interest /Misc Revenue	28,000	28,662	102.4%	27,000	21,737	80.5%
Total Water Receipts	8,241,281	8,962,593	108.8%	7,345,000	8,211,462	111.8%
Sewer Fund	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	FY 16 Estimated Receipts	FY 16 YTD Revenues	% Collected
User Charges	4,463,647	4,400,778	98.6%	3,969,000	3,819,668	96.2%
Committed Interest/Income	328,000	342,751	104.5%	369,000	395,007	107.0%
Liens	90,000	83,839	93.2%	90,000	97,772	108.6%
Apportioned Assessments	678,000	769,254	113.5%	698,000	953,729	136.6%
State Reimb/Grants	-	3,313	N/A	-	-	N/A
Interest /Misc Revenue	15,000	3,553	23.7%	12,000	6,588	54.9%
Non-Revenue Interest	15,000	19,153	127.7%	10,000	12,454	124.5%
Total Sewer Receipts	5,589,647	5,622,642	100.6%	5,148,000	5,285,220	102.7%
Total Enterprise Revenues	13,830,928	14,585,235	105.5%	12,493,000	13,496,681	108.03%

Town of Andover Local Receipts FY 2017 and FY 2016



	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget
■ FY 2016 % of Budget	24.5%	29.9%	41.4%	44.1%	46.6%	89.0%	104.4%	109.4%	125.1%	
■ FY 2017 % of Budget	25.4%	30.2%	42.2%	44.8%	47.5%	88.0%	94.9%	106.1%	124.6%	
■ FY 2016 Receipts	\$2,553,694	\$3,112,493	\$4,305,347	\$4,583,462	\$4,850,216	\$9,263,982	\$10,858,264	\$11,385,704	\$13,014,969	\$10,405,050
■ FY 2017 Receipts	\$2,795,781	\$3,321,719	\$4,639,050	\$4,926,292	\$5,221,462	\$9,681,097	\$10,431,178	\$11,665,888	\$13,699,117	\$10,997,428

Town of Andover
FY 2017 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 6/30/2017

	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	5,607,901	339,699	5,947,600	5,696,018	39,447	212,135	96.4%	95.8%
Community Services	1,419,478	89,951	1,509,429	1,509,188	0	241	100.0%	100.0%
Plant & Facilities	2,499,678	84,500	2,584,178	2,577,099	0	7,079	99.7%	99.7%
Public Safety - Fire	6,998,718	8,682	7,007,400	6,819,917	3,260	184,223	97.4%	97.3%
Public Safety - Police	7,328,601	91,000	7,419,601	7,446,924	29,531	-56,855	100.8%	100.4%
Public Works	2,699,251	267,088	2,966,339	2,963,267	3,053	19	100.0%	99.9%
Library	1,996,922	79,088	2,076,010	1,975,053	2,522	98,434	95.3%	95.1%
School	62,088,111	-354,731	61,733,380	61,697,244	0	36,135	99.9%	99.9%
Compensation Fund	1,110,000	-543,190	566,810	0	0	566,810	0.0%	0.0%
Total Personal Services - General Fund	91,748,660	62,086	91,810,746	90,684,710	77,814	1,048,222	98.9%	98.8%
Water Enterprise	1,910,789	10,327	1,921,116	1,995,442	197	-74,523	103.9%	103.9%
Sewer Enterprise	297,869	0	297,869	310,013	48	-12,193	104.1%	104.1%
Total Personal Services - Enterprise Funds	2,208,658	10,327	2,218,985	2,305,455	246	-86,716	103.9%	103.9%
Other Expenses								
General Government	2,170,854	83,795	2,254,649	2,013,306	78,529	162,814	92.8%	89.3%
Community Services	523,570	4,205	527,775	459,340	14,201	54,234	89.7%	87.0%
Plant & Facilities	1,483,825	61,666	1,545,491	1,246,271	87,366	211,853	86.3%	80.6%
Public Safety - Fire	498,338	22,321	520,659	404,148	60,568	55,943	89.3%	77.6%
Public Safety - Police	1,119,526	86,250	1,205,776	910,160	95,713	199,903	83.4%	75.5%
Public Works	4,444,154	1,158,888	5,603,042	4,978,301	508,439	116,302	97.9%	88.8%
Library	671,575	1,045	672,620	621,975	12,998	37,648	94.4%	92.5%
School	14,011,092	818,473	14,829,565	14,445,496	420,205	-36,135	100.2%	97.4%
Technical Schools	610,000	0	610,000	578,780	0	31,220	94.9%	94.9%
Debt Service	14,790,395	-220,712	14,569,683	14,563,999	0	5,684	100.0%	100.0%
Insurance	783,831	400,000	1,183,831	1,183,831	0	0	100.0%	100.0%
Health Insurance	17,905,037	0	17,905,037	17,905,037	0	0	100.0%	100.0%
Unemployment	160,000	0	160,000	160,000	0	0	100.0%	100.0%
Retirement	8,360,984	237,436	8,598,420	8,598,420	0	0	100.0%	100.0%
Reserve Fund	200,000	0	200,000	0	0	200,000	0.0%	0.0%
OPEB Appropriation	1,127,572	0	1,127,572	1,127,572	0	0	100.0%	100.0%
Total Other Expenses - General Fund	68,860,753	2,653,366	71,514,119	69,196,636	1,278,018	1,039,465	98.5%	96.8%
Water Enterprise	3,067,745	788,494	3,856,239	3,314,691	369,463	172,084	95.5%	86.0%
Sewer Enterprise	2,394,092	110,673	2,554,765	2,174,378	31,920	348,466	86.4%	85.1%
Total Other Expenses - Enterprise Funds	5,461,837	899,167	6,411,004	5,489,069	401,383	520,551	91.9%	85.6%
Total - General Fund	160,609,413	2,715,453	163,324,866	159,881,345	1,355,832	2,087,687	98.7%	97.9%
Total - Enterprise Funds	7,670,495	909,494	8,629,989	7,794,524	401,629	433,834	95.0%	90.3%
Total General and Enterprise Funds	168,279,908	3,624,946	171,954,854	167,675,869	1,757,461	2,521,520	98.5%	97.5%

Town of Andover
FY 2017 Reserve Account and Compensation Fund
As of 6/30/17

RESERVE FUND

Appropriation by Vote of Town Meeting May 2016	200,000.00
Transfers by Vote of Town Meeting	0.00
Transfers by Authority of the Finance Committee	0.00
Available Balance	<u><u>200,000.00</u></u>

COMPENSATION FUND

Appropriation by Vote of Town Meeting May 2016	1,110,000.00
Transfers by Vote of Town Meeting	0.00
Transfer by Authority of the Board of Selectmen	543,190.00
Available Balance	<u><u>566,810.00</u></u>

Town of Andover
FY 2017 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 6/30/17

	CD & P Legal Notices Acct 5550	Library Lost/Damaged Materials Acct 5631	CD & P Health Services Clinics Acct 5557	DCS Special Services Acct 5552	Youth Services Acct 5553	P & F Field Maintenance Acct 5622	Elder Services Acct 5554	Police Antenna Uses Acct 5653	School Photocopy Fees Acct 4510	P & F 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
Balance thru 6/30/2015	12,373	19,879	24,515	331,766	254,528	125,385	121,867	32,146	16,099	23,060	22,028	0	49,346	N/A
Receipts thru 6/30/2016	16,315	4,895	67,657	454,538	327,625	82,742	183,716	6,222	2,496	44,891	11,965	0	32,759	0
Expenditures thru 6/30/2016	14,588	7,972	55,823	421,678	400,000	25,508	138,556	0	0	34,821	16,258	0	70,538	0
Balance thru 6/30/2016	14,099	16,801	36,349	364,626	182,153	182,619	167,027	38,367	18,595	33,130	17,735	0	11,567	0
Receipts thru 6/30/2017	19,575	3,777	54,966	474,739	466,191	38,009	157,957	0	3,841	24,278	18,787	0	28,959	2,275
Expenditures thru 6/30/2017	17,674	7,579	58,652	390,630	348,338	80,751	156,736	0	512	31,255	21,264	0	30,847	0
Balance thru 6/30/2017	16,001	12,999	32,663	448,734	300,007	139,877	168,247	38,367	21,924	26,153	15,258	0	9,679	2,275

Spending Authorization Art 16 - ATM 16	\$20,000	\$20,000	\$60,000	\$625,000	\$400,000	\$100,000	\$225,000	\$50,000	\$10,000	\$60,000	\$40,000	\$5,000	\$100,000	\$75,000
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Y-T-D % Spent	88.37%	37.90%	97.75%	62.50%	87.08%	80.75%	69.66%	0.00%	5.12%	52.09%	53.16%	0.00%	30.85%	0.00%
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**Town of Andover
Capital Projects
6/30/2017**

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total Available	
Budget	520,400	520,400	520,800	912,500	1,003,000	1,040,000	1,078,000	1,120,000		
Expended	520,290	519,381	519,356	910,124	988,138	970,907	711,163	502,773		
Encumbered	-	-	-	1,125	11,234	22,461	77,166	146,142		
Total School CIP	Available	110	1,019	1,444	1,251	3,628	46,631	289,671	471,085	814,838
Budget	57,600	57,600	75,000	145,000	70,000	85,000	112,000	222,000		
Expended	57,600	34,558	65,564	114,462	70,000	10,511	65,900	122,061		
Encumbered	-	-	-	2,048	-	19,401	-	-		
Total General Government CIP	Available	-	23,042	9,436	28,490	-	55,088	46,100	99,939	262,097
Budget	-	-	-	-	-	62,000	-	-		
Expended	-	-	-	-	-	36,684	-	-		
Encumbered	-	-	-	-	-	8,534	-	-		
Total Youth Services CIP	Available	-	-	-	-	16,782	-	-	-	16,782
Budget	-	-	10,000	25,000	21,100	17,000	70,000	50,000		
Expended	-	-	7,596	24,744	21,100	17,000	66,873	24,510		
Encumbered	-	-	-	-	-	-	-	-		
Total Recreation CIP	Available	-	-	2,404	256	-	-	3,127	25,490	31,277
Budget	-	-	-	65,000	79,000	50,000	25,000	25,000		
Expended	-	-	-	65,000	79,000	50,000	20,933	23,423		
Encumbered	-	-	-	-	-	-	-	-		
Total Library CIP	Available	-	-	-	-	-	4,067	1,577	-	5,645
Budget	365,000	355,500	319,600	375,000	589,400	550,000	590,000	623,000		
Expended	353,940	355,412	319,600	364,253	585,635	550,000	537,849	281,217		
Encumbered	9,900	-	-	2,565	3,765	-	17,588	21,973		
Total P&F CIP	Available	1,160	88	-	8,182	-	-	34,563	319,810	363,803
Budget	110,000	110,000	125,000	225,500	215,500	281,000	285,000	195,000		
Expended	110,000	110,000	125,000	165,840	212,679	241,475	219,603	104,350		
Encumbered	-	-	-	-	-	-	-	28,032		
Total Police CIP	Available	-	-	59,660	2,821	39,525	65,397	62,617	-	230,020
Budget	86,000	97,500	70,000	82,000	142,000	79,000	50,000	20,000		
Expended	86,000	97,500	69,967	66,800	137,214	20,455	37,332	16,623		
Encumbered	-	-	-	-	-	-	-	-		
Total Fire CIP	Available	-	-	33	15,200	4,786	58,545	12,668	3,378	94,610
Budget	107,000	105,000	75,000	190,000	160,000	206,000	240,000	285,000		
Expended	107,000	106,580	75,000	181,477	147,834	205,703	158,984	42,023		
Encumbered	-	-	-	-	1,000	-	2,426	92,600		
Total DPW CIP	Available	-	(1,580)	-	8,523	11,166	297	78,590	150,377	247,374
Budget	725,600	725,600	674,600	1,107,500	1,277,000	1,330,000	1,372,000	1,420,000		
Expended	714,540	704,050	662,727	982,576	1,253,461	1,131,827	1,107,473	614,206		
Encumbered	9,900	-	-	4,613	4,765	27,935	20,014	142,605		
Total Town CIP	Available	1,160	21,550	11,873	120,311	18,773	170,238	244,513	663,189	1,251,607
Budget	1,246,000	1,246,000	1,195,400	2,020,000	2,280,000	2,370,000	2,450,000	2,540,000		
Expended	1,234,831	1,223,431	1,182,084	1,892,701	2,241,599	2,102,734	1,818,636	1,116,979		
Encumbered	9,900	-	-	5,738	15,999	50,396	97,180	288,747		
Grand Total	Available	1,269	22,569	13,316	121,562	22,401	216,870	534,184	1,134,275	2,066,445