

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

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

Date: December 18, 2017

Re: ***FY 2018 Financials***

The attached reports summarize the Town's financial position through October 31, 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 – FY18

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

The attached reports of the Town Accountant summarize FY 2018 General Fund Revenues and Expenditures through October 31, 2017.

General Fund – Revenues

FY 2018 Total General Fund Collections of all sources collected through October 2017 are consistent with the annual projections. FY17 collections were approximately \$11.5 million higher than FY18, through the same period of time due to timing of receipts. The quarterly tax bill deadline was October 31 in FY17, but was extended to November 7 in FY18, due to windstorm destruction in Town. Therefore, many collections were posted in November 2017's revenue.

FY 2018 Local Receipts collected through October 2017 are level with FY 2017 collections through the first four months of the fiscal year. Licenses and Permits continue to represent the largest portion of local receipts. These along with hotel, motel and meals receipts support signs of a strong economy and economic growth in Andover. Investment income is also outpacing projections based on higher than expected bank interest rates.

General Fund – Personal Services

FY 2018 General Fund Personal Services are consistent with FY 2018 projections through October 2017.

General Fund – Other Expenses

FY 2018 General Fund Other Expenses are consistent with FY 2018 projections through October 2017.

The attached reports of the Town Accountant summarize FY 2018 Water and Sewer Revenues and Expenditures through October 31, 2017.

Water Enterprise Fund – Revenues

FY 2018 Total Water Receipts are approximately \$940,000 greater than FY 2017 receipts collected through the same period of time. This is primarily due to the change of billing frequency and sections in FY18, where FY18 revenues account for 3 months of consumption for the entire town and FY17 revenues account for 6 months of consumption for one third of the town.

Sewer Enterprise Fund– Revenues

FY 2018 Total Sewer Receipts are approximately \$131,000 greater than FY 2017 actuals collected through the same period of time. Similar to water, the primary contributor to this increase is the change in billing frequency and sections in FY18, where FY18 revenues account for 3 months of consumption for the entire town and FY17 revenues account for 6 months of consumption for one third of the town.

Water Enterprise Fund – Personal Services and Other Expenses

FY 2018 Water Enterprise Fund Personal Services are consistent with FY 2018 projections through October 2017.

FY 2018 Water Enterprise Fund Other Expenses are consistent with FY 2018 projections through October 2017.

Sewer Enterprise Fund – Personal Services and Other Expenses

FY 2018 Sewer Enterprise Personal Services are consistent with FY 2018 projections through October 2017.

FY 2018 Sewer Enterprise Fund Other Expenses are consistent with FY 2018 projections through October 2017.

Town of Andover
FY 2018 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 10/31/2017 and 10/31/2016

Estimated Receipts	FY 18 Estimated Receipts	FY 18 YTD Revenues	% Collected	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	Change in Estimates	Change in YTD Receipts
Motor Vehicle Excise	5,103,600	538,795	10.6%	5,000,000	622,276	12.4%	103,600	(83,481)
Hotel/Motel/Meals	2,107,000	754,094	35.8%	2,100,000	657,802	31.3%	7,000	96,293
Penalties and Interest on Taxes and Excises	416,100	104,928	25.2%	430,000	169,200	39.3%	(13,900)	(64,272)
Fees	75,000	40,581	54.1%	78,500	51,358	65.4%	(3,500)	(10,777)
Payments in Lieu of Taxes	382,000	-	0.0%	250,000	-	0.0%	132,000	-
Departmental Revenue - Libraries	-	123	0.0%	1,500	184	12.2%	(1,500)	(61)
Other Department Revenues	300,000	77,218	25.7%	230,000	102,125	44.4%	70,000	(24,907)
Other Department Revenues - School Medicare	352,500	36,346	10.3%	300,000	45,158	15.1%	52,500	(8,813)
Licenses and Permits	2,445,000	967,431	39.6%	2,237,000	1,020,110	45.6%	208,000	(52,679)
Fines & Forfeits	236,100	100,404	42.5%	300,000	84,946	28.3%	(63,900)	15,458
Investment Income	75,000	103,436	137.9%	70,428	42,370	60.2%	4,572	61,066
Special Assessments	-	959	0.0%	-	1,151	0.0%	-	(192)
Total Estimated Receipts	11,492,300	2,724,314	23.7%	10,997,428	2,796,680	25.4%	494,872	(72,366)

Off-Set Receipts	FY 18 Estimated Receipts	FY 18 YTD Revenues	% Collected	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	Change in Estimates	Change in YTD Receipts
Recreation	582,930	97,841	16.8%	550,000	146,376	26.6%	32,930	(48,535)
Elder Services	97,000	36,862	38.0%	97,000	28,918	29.8%	-	7,944
Plant & Facilities - Rental Receipts	47,600	29,011	60.9%	52,000	23,159	44.5%	(4,400)	5,852
Public Safety - Police Detail Fees	75,000	39,710	52.9%	75,000	35,073	46.8%	-	4,638
Cemetery - Interment Fees	46,000	24,058	52.3%	46,000	16,996	36.9%	-	7,062
Public Safety / Fire - Ambulance Receipts	1,300,000	302,823	23.3%	1,250,000	394,229	31.5%	50,000	(91,405)
Total Off-Set Receipts	2,148,530	530,306	24.7%	2,070,000	644,750	31.1%	78,530	(114,445)

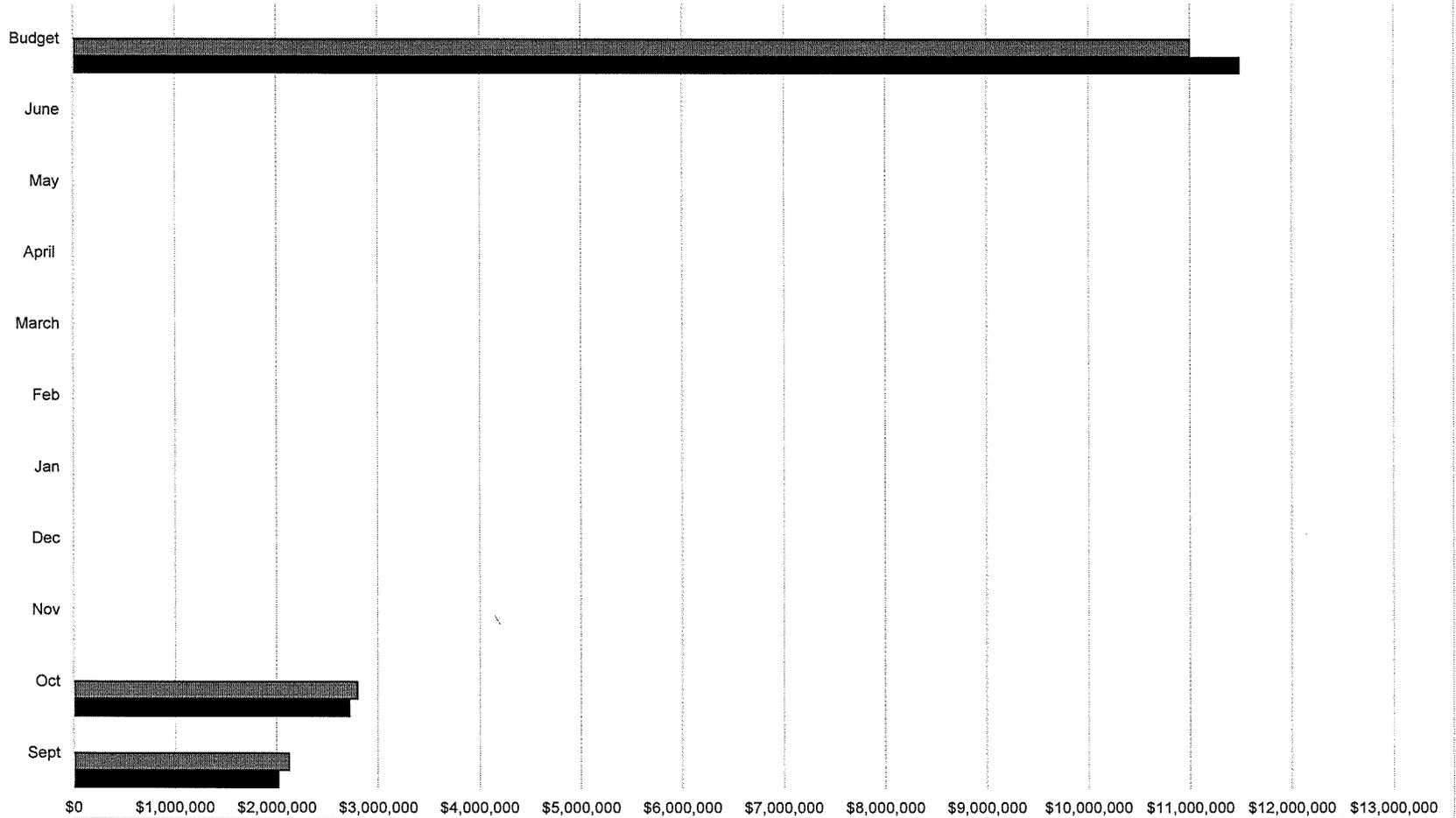
Other Revenues	FY 18 Estimated Receipts	FY 18 YTD Revenues	% Collected	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	Change in Estimates	Change in YTD Receipts
Property Taxes (inc. Tax Titles)	139,352,561	46,348,051	33.3%	132,983,361	57,798,507	43.5%	6,369,200	(11,450,455)
State Aid	12,161,547	4,088,392	33.6%	12,964,877	3,970,671	30.6%	(803,330)	117,721
Total Other Revenues	151,514,108	50,436,443	33.3%	145,948,238	61,769,178	42.3%	5,565,870	(11,332,734)
Total Revenues	165,154,938	53,691,063	32.5%	159,015,666	65,210,608	41.0%	6,139,272	(11,519,545)

Town of Andover
FY 2018 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 10/31/2017 and 10/31/2016

Water Fund	FY 18 Estimated Receipts	FY 18 YTD Revenues	% Collected	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	Change in Estimates	Change in YTD Receipts
User Charges	8,191,018	3,010,458	36.8%	7,561,281	2,120,340	28.0%	629,737	890,118
Water Connection	40,000	51,160	127.9%	40,000	26,128	65.3%	-	25,032
Water Testing Fees	22,000	9,265	42.1%	22,000	6,295	28.6%	-	2,970
Meter Installations	12,000	4,380	36.5%	12,000	8,390	69.9%	-	(4,010)
Fire Flow Test	6,000	6,260	104.3%	6,000	5,000	83.3%	-	1,260
Special/Final Reads	27,000	12,400	45.9%	27,000	13,250	49.1%	-	(850)
Backflow/Cross Connection Fees	75,000	22,950	30.6%	75,000	25,155	33.5%	-	(2,205)
Water Tap	-	150	0.0%	-	1,075	0.0%	-	(925)
Liens	120,000	20,075	16.7%	120,000	10,997	9.2%	-	9,078
Fire Suppression	115,293	42,112	36.5%	350,000	23,645	6.8%	(234,707)	18,467
Interest /Misc Revenue	28,000	2,423	8.7%	28,000	1,023	3.7%	-	1,400
Total Water Receipts	8,636,311	3,181,633	36.8%	8,241,281	2,241,298	27.2%	395,030	940,334.91

Sewer Fund	FY 18 Estimated Receipts	FY 18 YTD Revenues	% Collected	FY 17 Estimated Receipts	FY 17 YTD Revenues	% Collected	Change in Estimates	Change in YTD Receipts
User Charges	4,530,478	1,350,393	29.8%	4,463,647	1,212,153	27.2%	66,831	138,240
Committed Interest/Income	294,000	5,400	1.8%	328,000	7,961	2.4%	(34,000)	(2,561)
Liens	90,000	9,783	10.9%	90,000	8,026	8.9%	-	1,757
Apport Assmnts	678,000	40,358	6.0%	678,000	46,362	6.8%	-	(6,003)
Interest /Misc Revenue	15,000	2,473	16.5%	15,000	2,190	14.6%	-	283
Non-Revenue Interest	15,000	-	0.0%	15,000	371	2.5%	-	(371)
Total Sewer Receipts	5,622,478	1,408,408	25.0%	5,589,647	1,277,063	22.8%	32,831	131,345
Total Enterprise Revenues	14,258,789	4,590,041	32.2%	13,830,928	3,518,361	25.44%	427,861	1,071,680

Town of Andover Local Receipts FY 2018 and FY 2017



	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget
■ FY 2017 % of Budget	19.3%	25.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
▨ FY 2018 % of Budget	17.6%	23.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
▣ FY 2017 Receipts	\$2,121,853	\$2,796,680									\$10,997,428
■ FY 2018 Receipts	\$2,024,463	\$2,724,314									\$11,492,300

Town of Andover
FY 2018 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 10/31/2017

	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	5,817,260	218,082	6,035,342	1,800,155	-	4,235,188	29.8%	29.8%
Community Services	1,550,445	40,000	1,590,445	705,077	-	885,368	44.3%	44.3%
Plant & Facilities	2,691,409	25,405	2,716,814	803,007	-	1,913,807	29.6%	29.6%
Public Safety - Fire	7,127,440	14,315	7,141,755	2,226,722	-	4,915,033	31.2%	31.2%
Public Safety - Police	7,364,458	252,351	7,616,809	2,341,173	-	5,275,637	30.7%	30.7%
Public Works	2,836,861	34,073	2,870,934	891,252	-	1,979,682	31.0%	31.0%
Library	2,011,697	68,272	2,079,969	623,699	-	1,456,270	30.0%	30.0%
School	64,447,734	-	64,447,734	12,124,998	49,433,459	2,889,277	95.5%	18.8%
Compensation Fund	1,140,000	-583,185	556,815	-	-	556,815	0.0%	0.0%
Total Personal Services - General Fund	94,987,304	69,314	95,056,618	21,516,083	49,433,459	24,107,076	74.6%	22.6%
Water Enterprise	1,969,534	197	1,969,731	660,061	197	1,309,473	33.5%	33.5%
Sewer Enterprise	313,280	48	313,328	98,176	48	215,104	31.3%	31.3%
Total Personal Services - Enterprise Funds	2,282,814	245.90	2,283,060	758,236	245.90	1,524,578	33.2%	33.2%
Other Expenses								
General Government	2,211,604	87,029	2,298,633	862,829	296,267	1,139,537	50.4%	37.5%
Community Services	547,010	15,142	562,152	136,581	160,505	265,066	52.8%	24.3%
Plant & Facilities	1,530,635	87,366	1,618,001	292,887	399,585	925,530	42.8%	18.1%
Public Safety - Fire	479,188	60,568	539,756	213,771	105,358	220,627	59.1%	39.6%
Public Safety - Police	1,085,202	95,713	1,180,915	328,907	286,750	565,258	52.1%	27.9%
Public Works	4,761,899	508,439	5,270,338	1,178,269	2,118,654	1,973,414	62.6%	22.4%
Library	655,825	12,998	668,823	248,452	288,512	131,859	80.3%	37.1%
School	14,889,437	420,205	15,309,642	4,124,393	11,075,420	109,829	99.3%	26.9%
Technical Schools	610,000	-	610,000	129,961	389,882	90,158	85.2%	21.3%
Debt Service	14,048,907	-	14,048,907	5,937,317	-	8,111,590	42.3%	42.3%
Insurance	901,405	-	901,405	696,520	19,355	185,530	79.4%	77.3%
Health Insurance	19,257,000	-	19,257,000	4,841,728	-	14,415,272	25.1%	25.1%
Unemployment	160,000	-	160,000	-	-	160,000	0.0%	0.0%
Retirement	9,428,488	-	9,428,488	9,428,488	-	-	100.0%	100.0%
Reserve Fund	200,000	-	200,000	-	-	200,000	0.0%	0.0%
OPEB Appropriation	1,264,338	-	1,264,338	1,264,338	-	-	100.0%	100.0%
Total Other Expenses - General Fund	72,030,938	1,287,459	73,318,397	29,684,439	15,140,287	28,493,671	61.1%	40.5%
Water Enterprise	3,100,619	669,463	3,770,082	1,564,365	1,531,136	674,581	82.1%	41.5%
Sewer Enterprise	2,484,105	31,920	2,516,025	694,204	1,631,801	190,020	92.4%	27.6%
Total Other Expenses - Enterprise Funds	5,584,724	701,383	6,286,107	2,258,568	3,162,938	864,601	86.2%	35.9%
Total - General Fund	167,018,242	1,356,773.02	168,375,015	51,200,521	64,573,746	52,600,746	68.8%	30.4%
Total - Enterprise Funds	7,867,538	701,629	8,569,167	3,016,804	3,163,183	2,389,178	72.1%	35.2%
Total General and Enterprise Funds	174,885,780	2,058,402	176,944,182	54,217,325	67,736,930	54,989,924	68.9%	30.6%

Town of Andover
FY 2018 Reserve Account and Compensation Fund
As of 10/31/17

RESERVE FUND

Appropriation by Vote of Town Meeting May 2017	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 May 2017	1,140,000.00
Transfers by Vote of Town Meeting	0.00
Transfer by Authority of the Board of Selectmen	583,185.00
Available Balance	<u>556,815.00</u>

Town of Andover
FY 2018 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 10/31/17

	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 6/30/2016	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
Receipts thru 10/31/2017	7,855	1,341	10,453	35,488	72,999	35,732	45,648	0	886	4,608	2,769	0	2,549	0
Expenditures thru 10/31/2017	11,459	840	28,741	287,387	117,770	32,101	35,813	0	0	9,087	2,054	0	166	209
Balance thru 10/31/2017	12,397	13,500	14,376	196,835	255,236	143,508	178,082	38,367	22,810	21,675	15,973	0	12,062	2,066

Spending Authorization Art 16 - ATM 17	\$20,000	\$20,000	\$60,000	\$625,000	\$400,000	\$150,000	\$225,000	\$50,000	\$10,000	\$60,000	\$40,000	\$5,000	\$100,000	\$75,000
Y-T-D % Spent	57.29%	4.20%	47.90%	45.98%	29.44%	21.40%	15.92%	0.00%	0.00%	15.14%	5.14%	0.00%	0.17%	0.28%

**Town of Andover
Capital Projects
10/31/2017**

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Total Available</u>
Budget	520,400	520,400	520,800	912,500	1,003,000	1,040,000	1,078,000	1,120,000	1,545,643	
Expended	520,290	519,381	519,356	910,124	999,854	1,009,113	1,029,062	764,914	177,033	
Encumbered	-	-	-	1,125	431	6,760	25,178	86,016	287,220	
Total School CIP	Available	110	1,019	1,444	1,251	2,714	24,127	23,760	269,070	1,081,389
Budget	57,600	57,600	75,000	145,000	70,000	85,000	112,000	222,000	529,018	
Expended	57,600	34,558	65,564	114,462	70,000	23,511	65,900	122,061	202,858	
Encumbered	-	-	-	2,048	-	7,529	-	-	30,947	
Total General Government CIP	Available	-	23,042	9,436	28,490	-	53,960	46,100	99,939	295,213
Budget	-	-	-	-	-	62,000	-	-	32,214	
Expended	-	-	-	-	-	39,976	-	-	-	
Encumbered	-	-	-	-	-	8,642	-	-	-	
Total Youth Services CIP	Available	-	-	-	-	13,382	-	-	32,214	45,596
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	800,000	
Expended	363,840	355,412	319,600	366,818	589,400	550,000	564,791	316,500	20,305	
Encumbered	-	-	-	-	-	-	3,823	117,194	183,602	
Total P&F CIP	Available	1,160	88	-	8,182	-	21,386	189,306	596,093	816,215
Budget	110,000	110,000	125,000	225,500	215,500	281,000	285,000	195,000	293,500	
Expended	110,000	110,000	125,000	165,840	212,679	241,475	219,603	168,510	-	
Encumbered	-	-	-	-	-	-	-	-	-	
Total Police CIP	Available	-	-	59,660	2,821	39,525	65,397	26,490	293,500	487,393
Budget	86,000	97,500	70,000	82,000	142,000	79,000	50,000	20,000	63,500	
Expended	86,000	97,500	69,967	66,800	140,497	20,455	37,332	16,623	8,353	
Encumbered	-	-	-	-	-	-	-	-	44,126	
Total Fire CIP	Available	-	33	15,200	1,503	58,545	12,668	3,378	11,021	102,348
Budget	107,000	105,000	75,000	190,000	160,000	206,000	240,000	285,000	415,000	
Expended	107,000	105,000	75,000	181,477	151,112	205,703	162,701	77,737	-	
Encumbered	-	-	-	-	8,862	-	13,709	140,663	20,573	
Total DPW CIP	Available	-	-	8,523	25	297	63,590	66,600	394,427	533,463
Budget	725,600	725,600	674,600	1,107,500	1,277,000	1,330,000	1,372,000	1,420,000	2,133,232	
Expended	724,440	702,470	662,727	985,141	1,263,788	1,148,119	1,138,133	749,363	231,516	
Encumbered	-	-	-	2,048	8,862	16,171	17,532	257,856	279,248	
Total Town CIP	Available	1,160	23,130	11,873	120,311	4,349	165,710	216,336	412,781	1,622,469
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	3,678,875	
Expended	1,244,731	1,221,851	1,182,084	1,895,266	2,263,642	2,157,232	2,167,195	1,514,277	408,549	
Encumbered	-	-	-	3,173	9,293	22,931	42,710	343,872	566,468	
Grand Total	Available	1,269	24,149	13,316	121,562	7,064	189,837	240,096	681,851	2,703,858