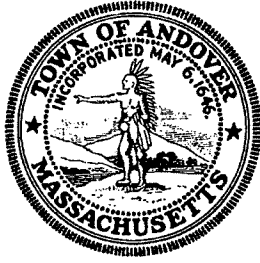


TOWN OF ANDOVER



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, Jared Mullane, Accounting File, Town Website

Date: January 30, 2018

Re: ***FY 2018 Financials***

The attached reports summarize the Town's financial position through November 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 – 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 November 30, 2017.

General Fund – Revenues

FY 2018 Total General Fund Collections of all sources collected through November 2017 are consistent with the annual projections.

FY 2018 Local Receipts collected through November 2017 are level with FY 2017 collections through the first five months of the fiscal year. Licenses and Permits continue to represent the largest portion of local receipts. The \$203,000 decrease in collections from this category is due to the timing of liquor renewals and inspections and less building permit receipts. These receipts along with hotel, motel and meals receipts, which increased \$96,000, support signs of a strong economy and economic growth. Investment income is also outpacing projections based on higher than expected bank interest rates.

FY2018 Off-Set Receipts collected through November 2017 are lower than collections through the same period of time last fiscal year. This is due to lower ambulance receipts and timing of recreation collections.

General Fund – Personal Services

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

General Fund – Other Expenses

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

The attached reports of the Town Accountant summarize FY 2018 Water and Sewer Revenues and Expenditures through November 30, 2017.

Water Enterprise Fund – Revenues

FY 2018 Total Water Receipts are approximately \$1,416,000 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 three months of consumption for the entire town plus one month consumption for a fourth of the 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 \$366,000 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 three months of consumption for the entire town plus one month consumption for a fourth of the 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 November 2017.

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

Sewer Enterprise Fund – Personal Services and Other Expenses

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

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

Town of Andover
FY 2018 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 11/30/2017 and 11/30/2016

Local Receipts	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	FY 17 Budgeted Receipts	FY 17 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Motor Vehicle Excise	5,103,600	631,737	12.4%	5,000,000	654,112	13.1%	103,600	(22,375)
Hotel/Motel/Meals	2,107,000	754,094	35.8%	2,100,000	657,802	31.3%	7,000	96,292
Penalties and Interest on Taxes and Excises	416,100	128,522	30.9%	430,000	197,341	45.9%	(13,900)	(68,819)
Fees	75,000	44,576	59.4%	78,500	52,058	66.3%	(3,500)	(7,482)
Payments in Lieu of Taxes	382,000	-	0.0%	250,000	-	0.0%	132,000	-
Departmental Revenue - Libraries	-	170	N/A	1,500	231	15.4%	(1,500)	(60)
Other Department Revenues	300,000	90,225	30.1%	230,000	116,053	50.5%	70,000	(25,828)
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	1,238,547	50.7%	2,237,000	1,441,283	64.4%	208,000	(202,736)
Fines & Forfeits	236,100	131,314	55.6%	300,000	105,107	35.0%	(63,900)	26,208
Investment Income	75,000	129,103	172.1%	70,428	51,423	73.0%	4,572	77,680
Special Assessments	-	959	N/A	-	1,151	N/A	-	(192)
Total Estimated Receipts	11,492,300	3,185,593	27.7%	10,997,428	3,321,719	30.2%	494,872	(136,125)

Off-Set Receipts	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	FY 17 Budgeted Receipts	FY 17 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Recreation	582,930	104,976	18.0%	550,000	201,876	36.7%	32,930	(96,900)
Elder Services	97,000	46,791	48.2%	97,000	38,082	39.3%	-	8,709
Plant & Facilities - Rental Receipts	47,600	35,553	74.7%	52,000	28,855	55.5%	(4,400)	6,698
Public Safety - Police Detail Fees	75,000	49,616	66.2%	75,000	42,478	56.6%	-	7,139
Cemetery - Interment Fees	46,000	28,103	61.1%	46,000	22,920	49.8%	-	5,183
Public Safety / Fire - Ambulance Receipts	1,300,000	451,557	34.7%	1,250,000	539,957	43.2%	50,000	(88,399)
Total Off-Set Receipts	2,148,530	716,597	33.4%	2,070,000	874,167	42.2%	78,530	(157,570)

Other Revenues	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	FY 17 Budgeted Receipts	FY 17 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
Property Taxes (inc. Tax Titles)	139,352,561	66,061,813	47.4%	132,983,361	64,300,204	48.4%	6,369,200	1,761,609
State Aid	12,161,547	5,106,912	42.0%	12,964,877	4,964,560	38.3%	(803,330)	142,352
Total Other Revenues	151,514,108	71,168,725	47.0%	145,948,238	69,264,764	47.5%	5,565,870	1,903,961
Total Revenues	165,154,938	75,070,915	45.5%	159,015,666	73,460,649	46.2%	6,139,272	1,610,266

Town of Andover
FY 2018 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 11/30/2017 and 11/30/2016

Water Fund	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	FY 17 Budgeted Receipts	FY 17 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	8,191,018	3,815,057	46.6%	7,561,281	2,499,413	33.1%	629,737	1,315,644
Water Connection	40,000	51,160	127.9%	40,000	29,902	74.8%	-	21,258
Water Testing Fees	22,000	13,525	61.5%	22,000	6,295	28.6%	-	7,230
Meter Installations	12,000	5,055	42.1%	12,000	9,390	78.3%	-	(4,335)
Fire Flow Test	6,000	8,442	140.7%	6,000	6,000	100.0%	-	2,442
Special/Final Reads	27,000	15,250	56.5%	27,000	15,481	57.3%	-	(231)
Backflow/Cross Connection Fees	75,000	36,275	48.4%	75,000	37,826	50.4%	-	(1,551)
Water Tap	-	425	N/A	-	1,075	N/A	-	(650)
Liens	120,000	55,538	46.3%	120,000	11,885	9.9%	-	43,653
Fire Suppression	115,293	50,106	43.5%	350,000	25,320	7.2%	(234,707)	24,786
Interest /Misc Revenue	28,000	8,619	30.8%	28,000	1,096	3.9%	-	7,524
Total Water Receipts	8,636,311	4,059,453	47.0%	8,241,281	2,643,683	32.1%	395,030	1,415,769.22
Sewer Fund	FY 18 Budgeted Receipts	FY 18 YTD Revenues	% Collected	FY 17 Budgeted Receipts	FY 17 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	4,530,478	1,642,674	36.3%	4,463,647	1,311,949	29.4%	66,831	330,725
Committed Interest/Income	294,000	7,215	2.5%	328,000	10,435	3.2%	(34,000)	(3,220)
Liens	90,000	47,232	52.5%	90,000	8,351	9.3%	-	38,881
Apport Assmnts	678,000	70,177	10.4%	678,000	75,701	11.2%	-	(5,524)
Interest /Misc Revenue	15,000	7,432	49.5%	15,000	1,998	13.3%	-	5,434
Non-Revenue Interest	15,000	-	0.0%	15,000	371	2.5%	-	(371)
Total Sewer Receipts	5,622,478	1,774,731	31.6%	5,589,647	1,408,805	25.2%	32,831	365,925
Total Enterprise Revenues	14,258,789	5,834,184	40.9%	13,830,928	4,052,489	29.30%	427,861	1,781,695

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%	30.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
■ FY 2018 % of Budget	17.6%	23.7%	27.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
■ FY 2017 Receipts	\$2,121,853	\$2,796,680	\$3,321,719								\$10,997,428
■ FY 2018 Receipts	\$2,024,463	\$2,724,314	\$3,185,593								\$11,492,300

Town of Andover
FY 2018 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 11/30/2017

	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	2,516,430	-	3,518,913	41.7%	41.7%
Community Services	1,550,445	40,000	1,590,445	824,043	-	766,402	51.8%	51.8%
Plant & Facilities	2,691,409	25,405	2,716,814	1,073,285	-	1,643,529	39.5%	39.5%
Public Safety - Fire	7,127,440	14,315	7,141,755	2,906,279	-	4,235,476	40.7%	40.7%
Public Safety - Police	7,364,458	252,351	7,616,809	3,029,505	-	4,587,304	39.8%	39.8%
Public Works	2,836,861	34,073	2,870,934	1,175,728	-	1,695,207	41.0%	41.0%
Library	2,011,697	68,272	2,079,969	817,634	-	1,262,336	39.3%	39.3%
School	64,447,734	-	64,447,734	17,285,168	45,037,791	2,124,775	96.7%	26.8%
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	29,628,070	45,037,791	20,390,757	78.5%	31.2%
Water Enterprise	1,969,534	197	1,969,731	854,424	-	1,115,307	43.4%	43.4%
Sewer Enterprise	313,280	48	313,328	133,487	-	179,841	42.6%	42.6%
Total Personal Services - Enterprise Funds	2,282,814	245.90	2,283,060	987,911	-	1,295,149	43.3%	43.3%
Other Expenses								
General Government	2,211,604	87,029	2,298,633	997,663	261,972	1,038,998	54.8%	43.4%
Community Services	547,010	15,142	562,152	196,731	136,852	228,569	59.3%	35.0%
Plant & Facilities	1,530,635	87,366	1,618,001	403,935	323,304	890,762	44.9%	25.0%
Public Safety - Fire	479,188	60,568	539,756	246,628	93,291	199,837	63.0%	45.7%
Public Safety - Police	1,085,202	95,713	1,180,915	399,804	269,096	512,015	56.6%	33.9%
Public Works	4,761,899	508,439	5,270,338	1,469,302	2,025,042	1,775,994	66.3%	27.9%
Library	655,825	12,998	668,823	288,532	277,184	103,107	84.6%	43.1%
School	14,889,437	420,205	15,309,642	5,589,218	9,861,175	-140,752	100.9%	36.5%
Technical Schools	610,000	-	610,000	290,870	228,972	90,158	85.2%	47.7%
Debt Service	14,048,907	-	14,048,907	6,047,910	-	8,000,997	43.0%	43.0%
Insurance	901,405	-	901,405	696,520	19,355	185,530	79.4%	77.3%
Health Insurance	19,257,000	-	19,257,000	5,983,958	-	13,273,042	31.1%	31.1%
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	33,303,897	13,496,243	26,518,257	63.8%	45.4%
Water Enterprise	3,100,619	669,463	3,770,082	1,645,330	1,511,772	612,980	83.7%	43.6%
Sewer Enterprise	2,484,105	31,920	2,516,025	1,198,469	1,144,363	173,193	93.1%	47.6%
Total Other Expenses - Enterprise Funds	5,584,724	701,383	6,286,107	2,843,799	2,656,135	786,173	87.5%	45.2%
Total - General Fund	167,018,242	1,356,773.02	168,375,015	62,931,967	58,534,034	46,909,013	72.1%	37.4%
Total - Enterprise Funds	7,867,538	701,629	8,569,167	3,831,710	2,656,135	2,081,321	75.7%	44.7%
Total General and Enterprise Funds	174,885,780	2,058,402	176,944,182	66,763,677	61,190,168	48,990,335	72.3%	37.7%

Town of Andover
FY 2018 Reserve Account and Compensation Fund
As of 11/30/17

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 11/30/17

	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 6/30/2016	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 11/30/2017	9,195	1,505	13,694	35,951	178,797	34,932	59,050	0	996	5,058	4,314	0	6,596	9,425
Expenditures thru 11/30/2017	12,279	1,662	39,624	311,659	146,240	60,830	52,263	0	0	9,087	2,054	0	549	209
Balance thru 11/30/2017	12,916	12,842	6,733	173,026	332,564	113,978	175,034	38,367	22,920	22,125	17,518	0	15,726	11,491

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	61.40%	8.31%	66.04%	49.87%	36.56%	40.55%	23.23%	0.00%	0.00%	15.14%	5.14%	0.00%	0.55%	0.28%

**Town of Andover
Capital Projects
11/30/2017**

	<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	999,888	1,015,498	1,031,765	758,661	327,790		
Encumbered	-	-	-	1,125	431	2,847	25,042	57,617	206,368		
Total School CIP	Available	110	1,019	1,444	1,251	2,681	21,655	21,193	303,723	1,011,485	1,364,558
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	203,733		
Encumbered	-	-	-	2,048	-	7,529	-	-	30,000		
Total General Government CIP	Available	-	23,042	9,436	28,490	-	53,960	46,100	99,939	295,285	556,253
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	350,000	24,076		
Encumbered	-	-	-	-	-	-	3,823	103,830	179,831		
Total P&F CIP	Available	1,160	88	-	8,182	-	-	21,386	169,170	596,093	796,078
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	220,273	168,510	-		
Encumbered	-	-	-	-	-	-	-	-	-		
Total Police CIP	Available	-	-	-	59,660	2,821	39,525	64,727	26,490	293,500	486,723
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	-	-	-	-	1,503	-	-	-	52,603		
Total Fire CIP	Available	-	-	33	15,200	-	58,545	12,668	3,378	2,544	92,368
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	205,813	168,444	77,737	5,343		
Encumbered	-	-	-	-	8,862	-	43,381	148,363	24,458		
Total DPW CIP	Available	-	-	-	8,523	25	187	28,175	58,900	385,199	481,009
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	1,148,229	1,144,545	782,863	241,505		
Encumbered	-	-	-	2,048	10,365	16,171	47,204	252,193	286,892		
Total Town CIP	Available	1,160	23,130	11,873	120,311	2,846	165,600	180,251	384,944	1,604,835	2,494,951
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	2,263,676	2,163,727	2,176,310	1,541,524	569,295		
Encumbered	-	-	-	3,173	10,797	19,018	72,246	309,809	493,260		
Grand Total	Available	1,269	24,149	13,316	121,562	5,527	187,255	201,444	688,667	2,616,320	3,859,509