



TOWN OF ANDOVER *Finance & Budget*

Hayley Green, CPA, Town Accountant/Assistant Finance Director
Accounting Department

36 Bartlet Street
Andover, MA 01810
(978) 623-8920

hayley.green@andoverma.us
www.andoverma.gov

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: February 17, 2022

Re: ***FY 2023 Financials***

The attached reports summarize the Town's financial position through December 31, 2022.
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 December 31, 2022.

General Fund

The total general fund receipts of all sources collected through December 31, 2022 are meeting the annual projections through the first half of the year. FY2023 local receipts are \$2,231,952 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. Off-set receipts collections are consistent with collections through the same period of time last fiscal year.

General fund personal services are lower than and other expenditures are in line with FY 2023 projections through December 2022. 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 December 2022. The user charges receipts are \$877,297 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 in line with and other expenses are slightly greater than FY 2023 projections through December 2022.

Sewer Enterprise Fund

The total sewer enterprise fund collections are lower than projections through December 2022. The user charges receipts are \$131,647 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 December 2022. Other expenses are greater than projections through the first half of the year due to timing of debt service payments.

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 December 2022.

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 \$3,578,819 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 12/31/2022 and 12/31/2021

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	694,211	12.3%	5,595,875	674,083	12.0%	55,959	20,128
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	194,491	40.5%	480,000	316,571	66.0%	-	(122,080)
Fees	61,000	27,633	45.3%	61,000	79,647	130.6%	-	(52,014)
Payments in Lieu of Taxes	451,731	-	0.0%	440,713	-	0.0%	11,018	-
Other Departmental Revenues	213,000	203,496	95.5%	294,200	109,216	37.1%	(81,200)	94,280
Other Departmental Revenues - School Medicare	200,000	230,552	115.3%	200,000	56,107	28.1%	-	174,445
Non-Recurring Revenues	5,000	61,000	1220.0%	5,800	5,863	101.1%	(800)	55,137
Licenses and Permits	2,377,540	1,749,947	73.6%	2,354,000	1,374,050	58.4%	23,540	375,897
Fines & Forfeits	132,500	76,795	58.0%	227,000	68,486	30.2%	(94,500)	8,309
Investment Income	204,000	1,384,854	678.9%	200,000	81,532	40.8%	4,000	1,303,322
Special Assessments	-	-	N/A	-	45	N/A	-	(45)
Total Estimated Receipts	11,575,605	6,236,788	53.9%	11,333,588	4,004,836	35.3%	242,017	2,231,952

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	63,199	11.9%	393,510	134,625	34.2%	138,021	(71,426)
Elder Services	106,000	53,795	50.8%	106,000	63,517	59.9%	-	(9,721)
Public Facilities - Rental Receipts	40,000	40,880	102.2%	20,000	48,608	243.0%	20,000	(7,728)
Cemetery - Interment Fees	60,000	37,086	61.8%	60,000	33,785	56.3%	-	3,301
Public Safety - Police Detail Fees	60,000	37,534	62.6%	60,000	38,046	63.4%	-	(513)
Public Safety / Fire - Ambulance Receipts	1,300,000	825,016	63.5%	1,250,000	676,310	54.1%	50,000	148,706
Total Off-Set Receipts	2,097,531	1,057,510	50.4%	1,889,510	994,891	52.7%	208,021	62,619

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	82,961,618	47.5%	165,459,877	80,194,742	48.5%	9,318,377	2,766,876
State Aid	14,794,019	7,351,370	49.7%	14,178,409	7,197,419	50.8%	615,610	153,951
Total Other Revenues	189,572,273	90,312,988	47.6%	179,638,286	87,392,161	48.6%	9,933,987	2,920,827
Total Revenues	203,245,409	97,607,286	48.0%	192,861,384	92,391,889	47.9%	10,384,025	5,215,398

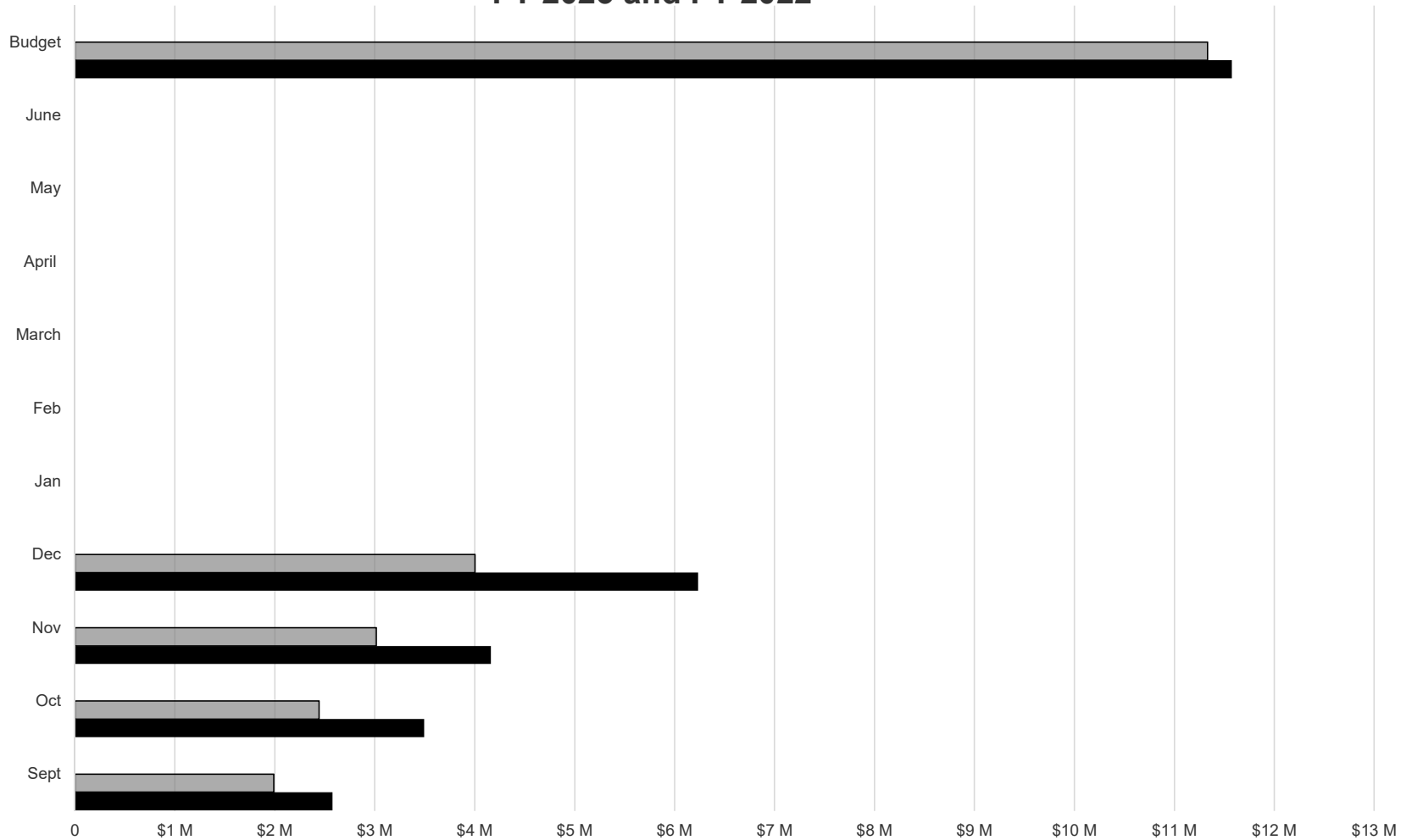
Town of Andover
FY 2023 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 12/31/2022 and 12/31/2021

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	6,473,827	62.0%	9,996,766	5,596,531	56.0%	449,078	877,297
Water Connection	7,500	3,774	50.3%	41,000	1,887	4.6%	(33,500)	1,887
Water Testing Fees	12,000	5,075	42.3%	18,000	1,885	10.5%	(6,000)	3,190
Meter Installations	10,000	5,050	50.5%	9,000	4,050	45.0%	1,000	1,000
Fire Flow Test	5,000	6,500	130.0%	9,000	4,482	49.8%	(4,000)	2,018
Special/Final Reads	25,000	10,636	42.5%	25,000	13,382	53.5%	-	(2,746)
Backflow/Cross Connection Fees	87,500	36,530	41.7%	75,000	59,599	79.5%	12,500	(23,069)
Water Tap	-	575	N/A	1,000	600	60.0%	(1,000)	(25)
Liens	85,000	12,546	14.8%	80,000	9,802	12.3%	5,000	2,743
Fire Suppression	280,000	116,672	41.7%	220,000	160,579	73.0%	60,000	(43,906)
Interest /Misc Revenue	2,500	655	26.2%	-	1,055	N/A	2,500	(400)
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	6,689,261	61.0%	10,493,766	5,856,205	55.8%	474,078	833,057

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	2,404,146	46.5%	5,086,120	2,272,499	44.7%	87,181	131,647
Committed Interest/Income	110,000	13,543	12.3%	165,000	19,281	11.7%	(55,000)	(5,738)
Liens	55,000	6,863	12.5%	55,000	4,953	9.0%	-	1,910
Apport Assmnts	340,000	45,746	13.5%	410,000	80,018	19.5%	(70,000)	(34,271)
Deferred Property Tax		10,800	N/A		-	N/A	-	10,800
Interest /Misc Revenue	3,500	580	16.6%	-	1,789	N/A	3,500	(1,209)
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	2,498,277	43.9%	5,731,120	2,380,201	41.5%	(42,819)	118,076

Total Enterprise Revenues	16,656,145	9,187,539	55.2%	16,224,886	8,236,406	50.76%	431,259	951,133
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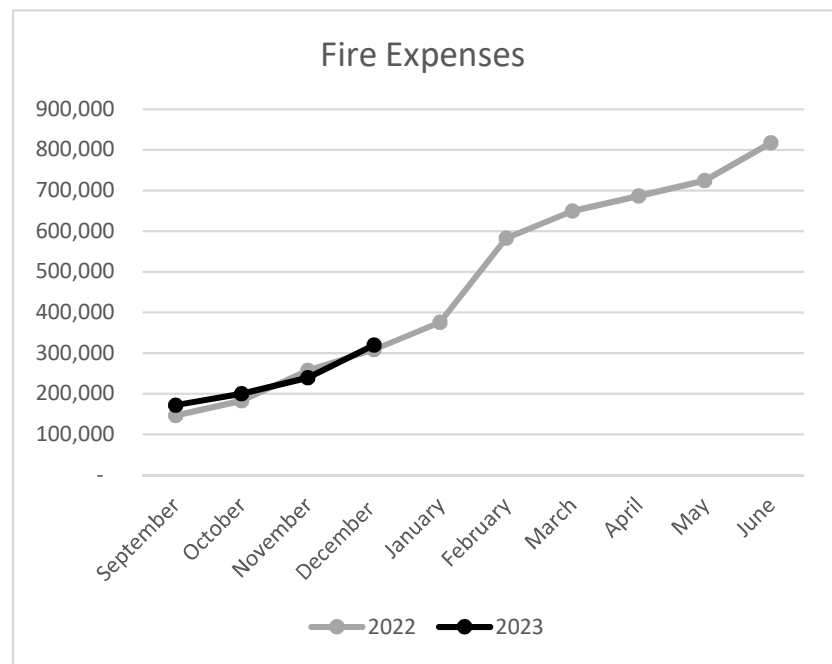
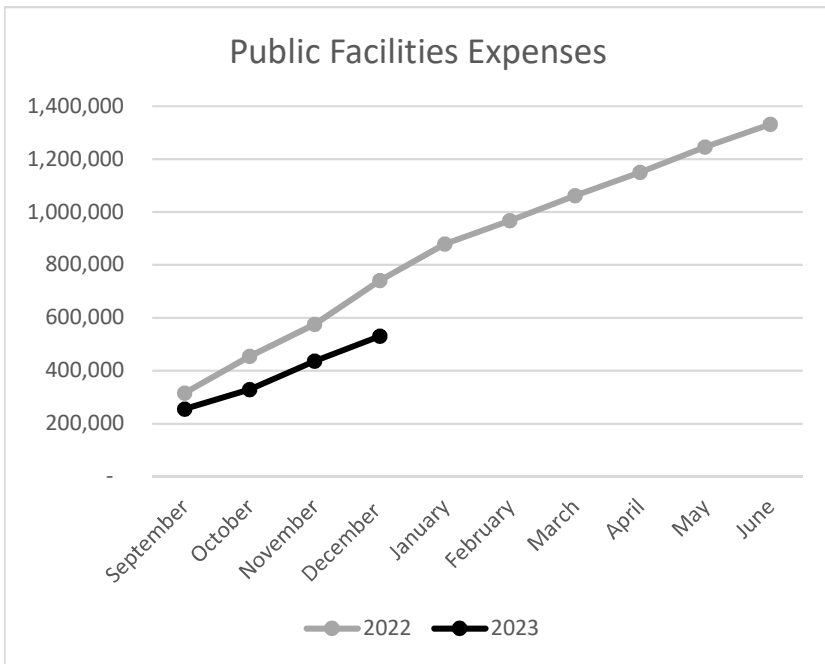
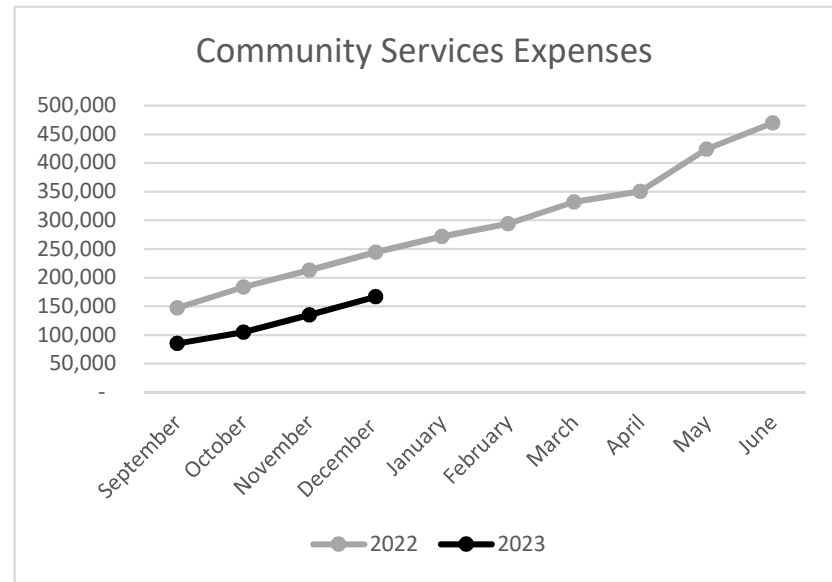
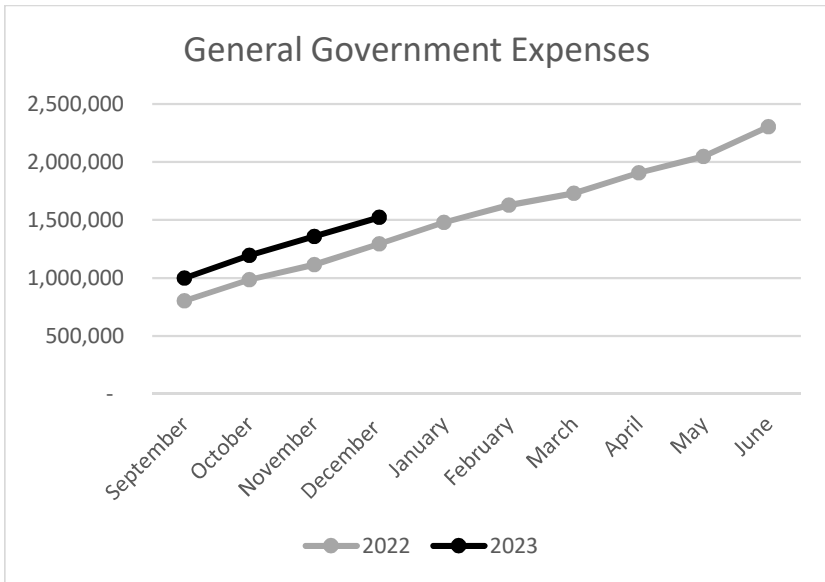
Town of Andover Local Receipts FY 2023 and FY 2022



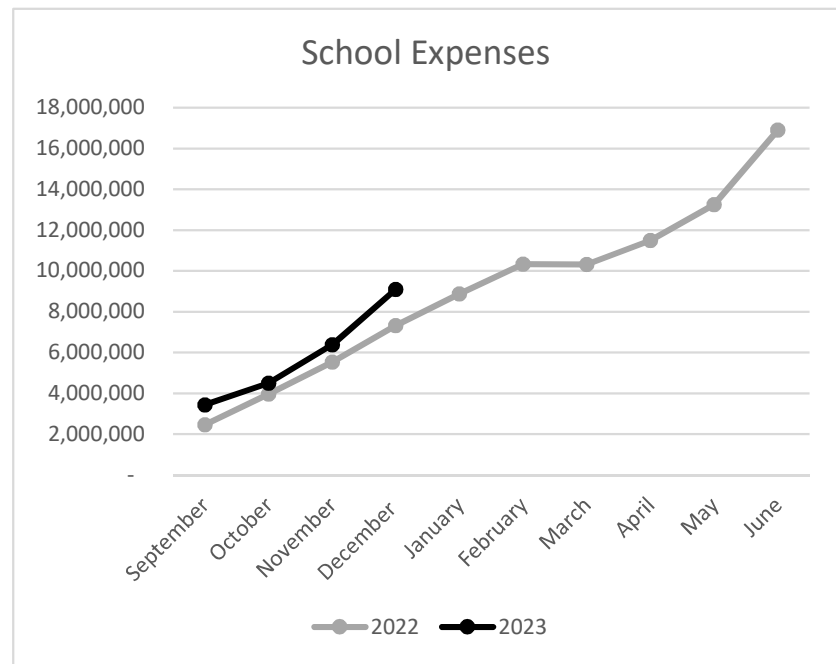
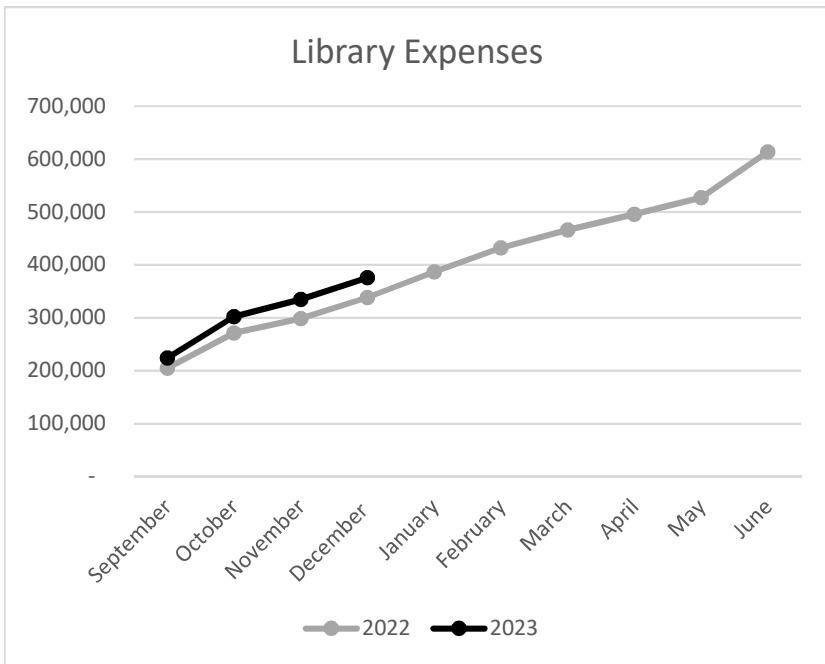
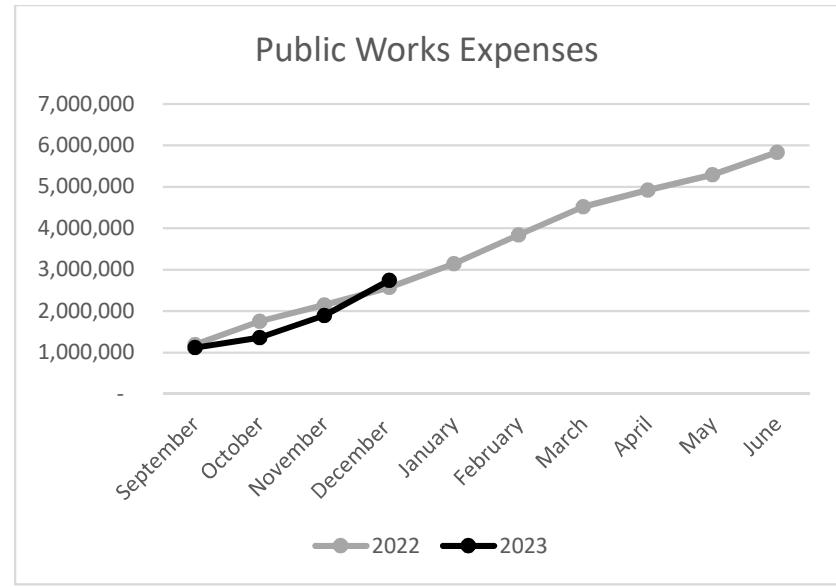
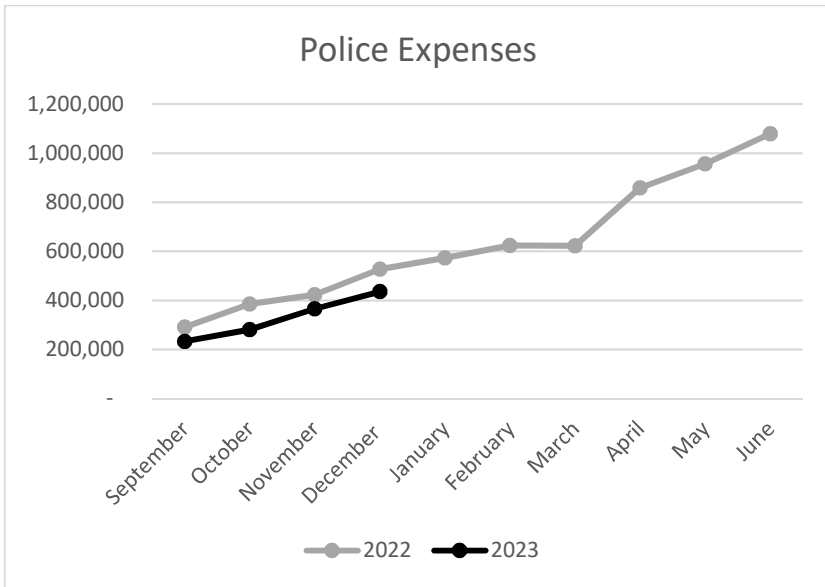
	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget
FY 2022 % of Budget	17.6%	21.6%	26.6%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
FY 2023 % of Budget	22.3%	30.2%	36.0%	53.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
FY 2022 Receipts	\$1,989,405	\$2,444,067	\$3,015,542	\$4,004,836							\$11,333,588
FY 2023 Receipts	\$2,577,784	\$3,494,520	\$4,161,602	\$6,236,788							\$11,575,605

Town of Andover
FY 2023 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 12/31/2022

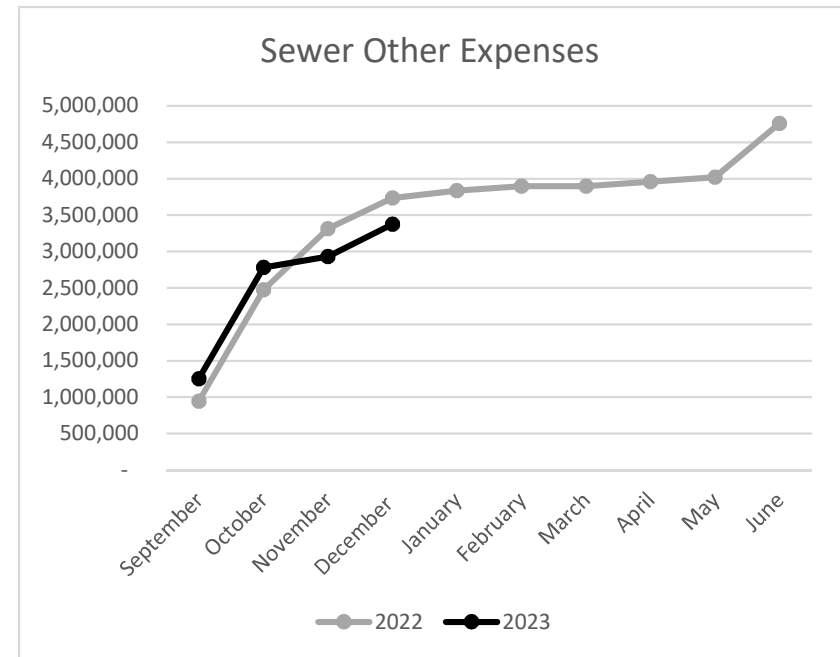
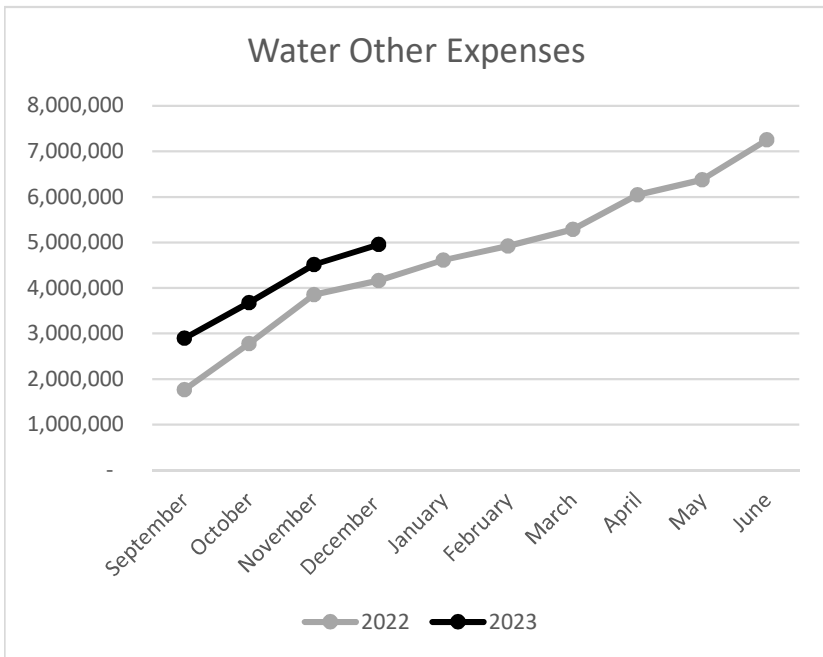
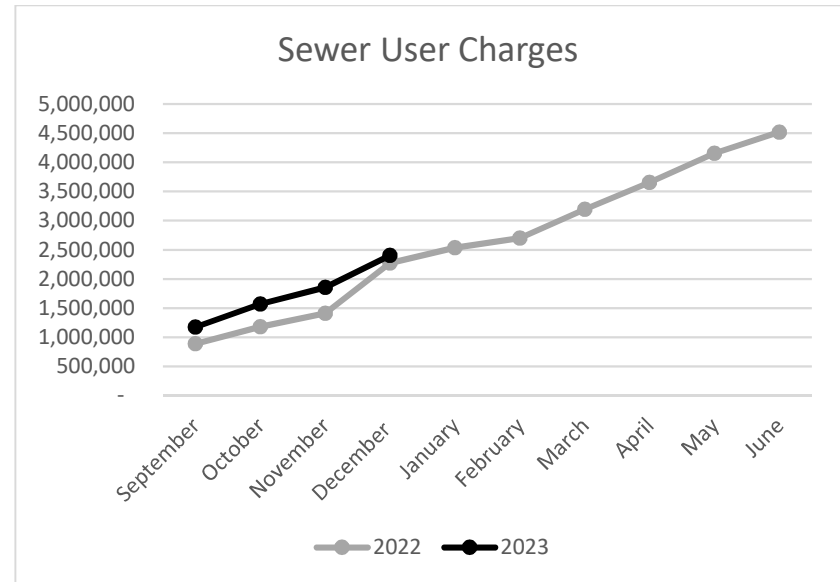
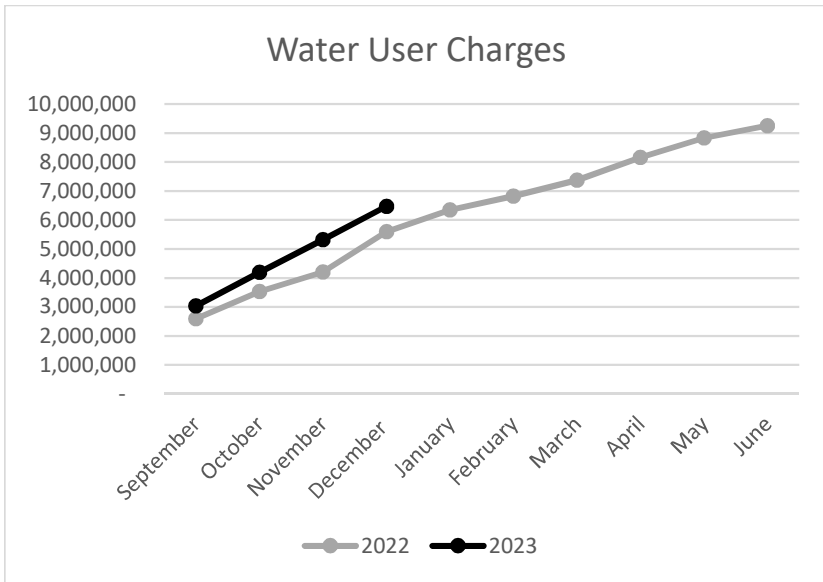
	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	7,511,444	27,661	7,539,105	3,494,908	-	4,044,197	46.4%	46.4%
Community Services	1,879,000	-	1,879,000	955,293	-	923,707	50.8%	50.8%
Public Facilities	2,592,091	-	2,592,091	1,194,594	-	1,397,497	46.1%	46.1%
Public Safety - Fire	8,611,698	14,621	8,626,319	4,355,124	14,621	4,256,574	50.7%	50.5%
Public Safety - Police	8,116,962	-	8,116,962	3,944,881	-	4,172,081	48.6%	48.6%
Public Works	3,834,283	-	3,834,283	1,799,447	-	2,034,836	46.9%	46.9%
Library	2,307,538	-	2,307,538	1,073,938	-	1,233,600	46.5%	46.5%
School	77,899,943	-	77,899,943	29,490,826	47,836,891	572,226	99.3%	37.9%
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	46,309,010	47,851,512	19,483,057	82.9%	40.7%
Water Enterprise	2,343,272	-	2,343,272	1,112,327	-	1,230,945	47.5%	47.5%
Sewer Enterprise	357,873	1,794	359,667	113,514	-	246,154	31.6%	31.6%
Total Personal Services - Enterprise Funds	2,701,145	1,794	2,702,939	1,225,840	-	1,477,099	45.4%	45.4%
Other Expenses								
General Government	2,721,202	222,087	2,943,289	1,522,486	447,923	972,880	66.9%	51.7%
Community Services	610,024	65,776	675,800	166,647	178,014	331,138	51.0%	24.7%
Public Facilities	1,354,850	193,418	1,548,268	530,687	538,298	479,282	69.0%	34.3%
Public Safety - Fire	612,050	62,985	675,035	319,585	116,072	239,379	64.5%	47.3%
Public Safety - Police	1,018,318	79,609	1,097,927	435,850	294,793	367,284	66.5%	39.7%
Public Works	5,888,050	353,729	6,241,779	2,741,966	2,472,277	1,027,536	83.5%	43.9%
Library	666,437	37,072	703,509	375,896	183,913	143,700	79.6%	53.4%
School	17,226,948	1,576,330	18,803,278	9,100,821	9,497,407	205,050	98.9%	48.4%
Technical Schools	1,274,000	-	1,274,000	599,543	599,542	74,915	94.1%	47.1%
Debt Service	23,333,890	-	23,333,890	15,257,888	-	8,076,002	65.4%	65.4%
Insurance	1,164,000	6,313	1,170,313	1,099,185	17,005	54,123	95.4%	93.9%
Health Insurance	23,034,797	-	23,034,797	8,255,526	-	14,779,271	35.8%	35.8%
Unemployment	164,000	-	164,000	66,819	-	97,181	40.7%	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	48,480,269	14,345,244	27,012,940	69.9%	54.0%
Water Enterprise	7,727,574	1,097,243	8,824,817	4,954,470	2,312,137	1,558,211	82.3%	56.1%
Sewer Enterprise	4,580,540	621,368	5,201,908	3,375,205	284,576	1,542,128	70.4%	64.9%
Total Other Expenses - Enterprise Funds	12,308,114	1,718,612	14,026,726	8,329,674	2,596,712	3,100,339	77.9%	59.4%
Total - General Fund	200,877,232	2,604,801	203,482,033	94,789,279	62,196,756	46,495,997	77.1%	46.6%
Total - Enterprise Funds	15,009,259	1,720,406	16,729,665	9,555,515	2,596,712	4,577,438	72.6%	57.1%



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



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Town of Andover
FY 2023 Reserve Account and Compensation Fund
As of 12/31/22

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 12/31/22

	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 Management 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 12/31/2022	18,825	2,249	35,136	898,110	154,032	46,851	54,327	1,737	5,201	5,225	8,758	0	0	49,935	0	1,695
Expenditures thru 12/31/2022	10,518	0	33,114	845,368	100,882	10,250	41,175	0	0	26,346	6,441	0	0	13,085	95	29,624
Balance thru 12/31/2022	32,595	20,334	15,941	1,093,904	394,488	192,203	155,139	55,382	47,056	15,212	91,720	0	681	186,916	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	52.59%	0.00%	55.19%	84.54%	25.22%	6.83%	18.30%	0.00%	0.00%	43.91%	16.10%	0.00%	0.00%	13.09%	0.19%	14.81%

**Town of Andover
Capital Projects
12/31/2022**

	<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	991,920	1,003,898	951,655	403,163	
Encumbered	-	-	-	9,932	54,499	98,522	200,681	
Total School CIP	Available	-	-	9,748	91,603	134,824	667,657	903,832
Budget	222,000	579,018	487,000	1,044,098	902,108	137,000	150,000	
Expended	192,000	555,672	403,221	772,827	802,108	47,764	2,724	
Encumbered	-	9,300	38,224	35,670	-	36,407	7,810	
Total General Government CIP	Available	30,000	14,046	45,555	235,601	100,000	139,466	617,498
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	-	-	-	-	-	-	-	
Total Library CIP	Available	-	-	10,000	35,000	-	-	45,000
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	1,294,513	367,193	584,633	25,070	
Encumbered	-	18,348	259	1,960	14,704	161,081	38,949	
Total Facilities CIP	Available	-	5	3,477	6,527	86,102	434,286	1,631,377
Budget	195,000	293,500	250,077	195,000	195,000	255,000	-	
Expended	195,000	293,500	249,159	195,000	179,055	41,700	-	
Encumbered	-	-	-	-	15,945	127,413	-	
Total Police CIP	Available	-	918	-	-	85,887	-	86,805
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	273,440	366,154	323,147	399,026	-	-	-	
Encumbered	1,930	1,944	-	881	-	127,221	-	
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	1,378,440	2,090,539	2,119,506	2,661,367	1,459,357	751,480	27,794	
Encumbered	1,930	29,592	38,483	38,511	30,649	452,122	46,759	
Total Town CIP	Available	39,631	63,100	67,088	252,220	221,102	621,398	1,410,447
Budget	2,540,000	3,678,875	3,265,077	3,963,698	2,861,108	3,010,000	2,756,500	
Expended	2,498,440	3,586,182	3,159,506	3,653,286	2,463,255	1,703,135	430,957	
Encumbered	1,930	29,592	38,483	48,443	85,148	550,643	247,439	
Grand Total	Available	39,631	63,100	67,088	261,969	312,705	756,222	2,078,103
								3,578,819