



TOWN OF ANDOVER *Finance & Budget*

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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: April 5, 2023

Re: ***FY 2023 Financials***

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

General Fund

The total general fund receipts of all sources collected through January 31, 2023 are exceeding the annual projections through the first seven months of the year. FY 2023 local receipts are \$2,287,282 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 consistent with collections through the same period of time last fiscal year. Recreation has changed the timing of summer registrations, so revenue will be collected later in the fiscal year and people have become comfortable riding in ambulances again after the pandemic. General fund personal services and other expenditures are in line with FY 2023 projections through January 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 January 2023. The user charges receipts are \$1,138,640 greater than FY22 through the same period of time because there were drier summer conditions, resulting in more consumption for FY23. Water personal services and other expenses are in line with projections through January 2023.

Sewer Enterprise Fund

The total sewer enterprise fund collections are meeting the annual projections through January 2023. The user charges receipts are \$314,092 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 January 2023. Other expenses are greater than projections through January 2023 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 January 2023.

Revolving Accounts

Town Meeting voted to approve 16 revolving funds with a total spending limit of \$2,490,000.

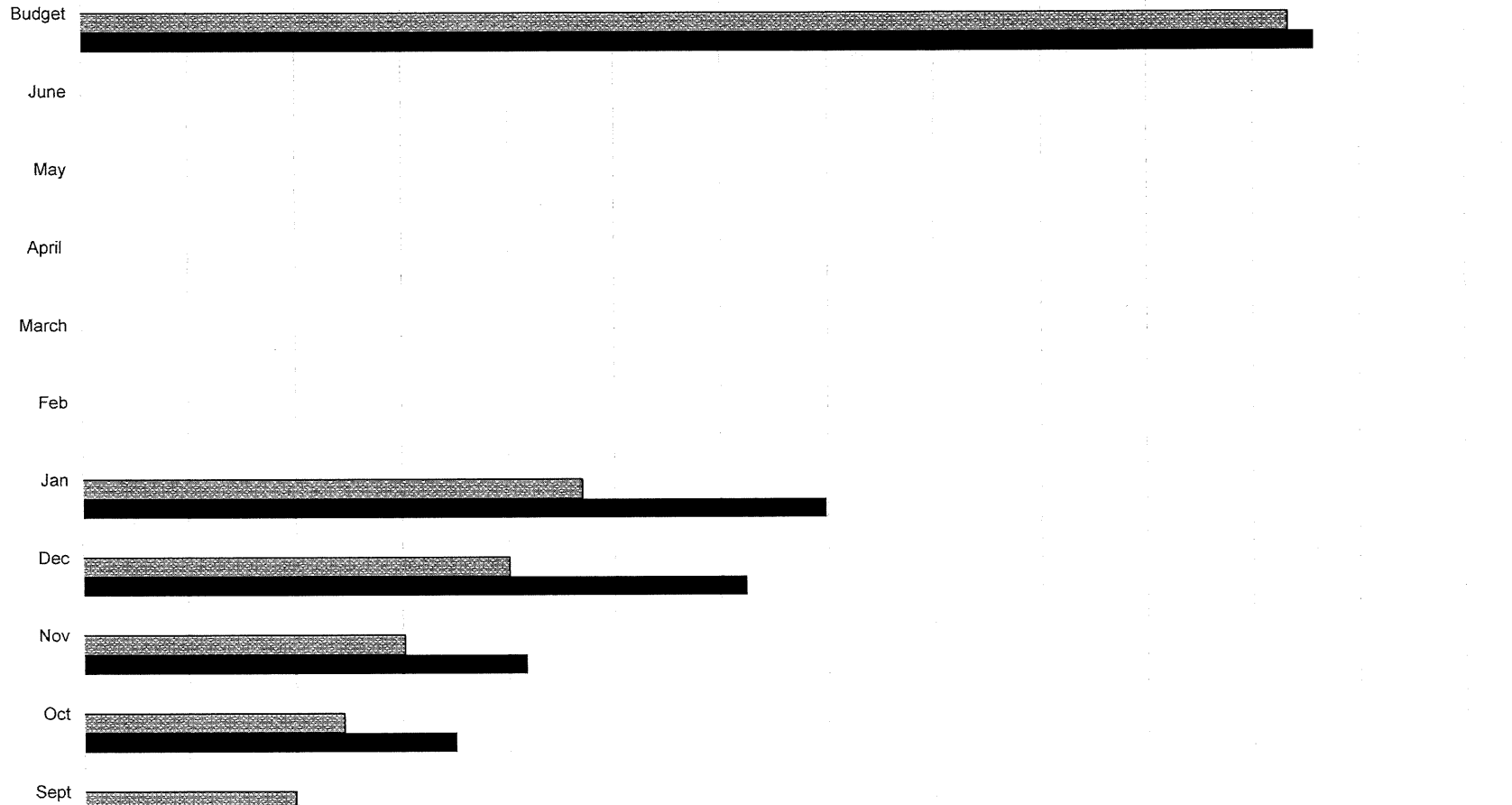
Capital Projects

These projects are part of the Town's capital improvement plan voted at Town Meeting from taxation. There is a balance of \$3,394,833 available for the most recent seven years of approved projects.

Town of Andover
FY 2023 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 1/31/2023 and 1/31/2022

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	7,484,347	71.6%	9,996,766	6,345,707	63.5%	449,078	1,138,640
Water Connection	7,500	3,774	50.3%	41,000	3,145	7.7%	(33,500)	629
Water Testing Fees	12,000	5,075	42.3%	18,000	1,885	10.5%	(6,000)	3,190
Meter Installations	10,000	5,275	52.8%	9,000	4,050	45.0%	1,000	1,225
Fire Flow Test	5,000	7,000	140.0%	9,000	4,982	55.4%	(4,000)	2,018
Special/Final Reads	25,000	11,386	45.5%	25,000	14,546	58.2%	-	(3,160)
Backflow/Cross Connection Fees	87,500	37,440	42.8%	75,000	60,463	80.6%	12,500	(23,023)
Water Tap	-	1,075	N/A	1,000	600	60.0%	(1,000)	475
Liens	85,000	32,996	38.8%	80,000	34,756	43.4%	5,000	(1,760)
Fire Suppression	280,000	127,313	45.5%	220,000	170,605	77.5%	60,000	(43,293)
Interest /Misc Revenue	2,500	1,614	64.6%	-	1,106	N/A	2,500	508
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	7,734,715	70.5%	10,493,766	6,644,197	63.3%	474,078	1,090,518
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	2,847,159	55.0%	5,086,120	2,533,067	49.8%	87,181	314,092
Committed Interest/Income	110,000	60,927	55.4%	165,000	72,519	44.0%	(55,000)	(11,592)
Liens	55,000	14,912	27.1%	55,000	17,997	32.7%	-	(3,085)
Apport Assmnts	340,000	214,125	63.0%	410,000	238,226	58.1%	(70,000)	(24,101)
Deferred Property Tax	-	10,800	N/A	-	-	N/A	-	10,800
Interest /Misc Revenue	3,500	646	18.4%	-	1,792	N/A	3,500	(1,146)
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	3,165,167	55.6%	5,731,120	2,865,262	50.0%	(42,819)	299,906
Total Enterprise Revenues	16,656,145	10,899,883	65.4%	16,224,886	9,509,459	58.61%	431,259	1,390,424

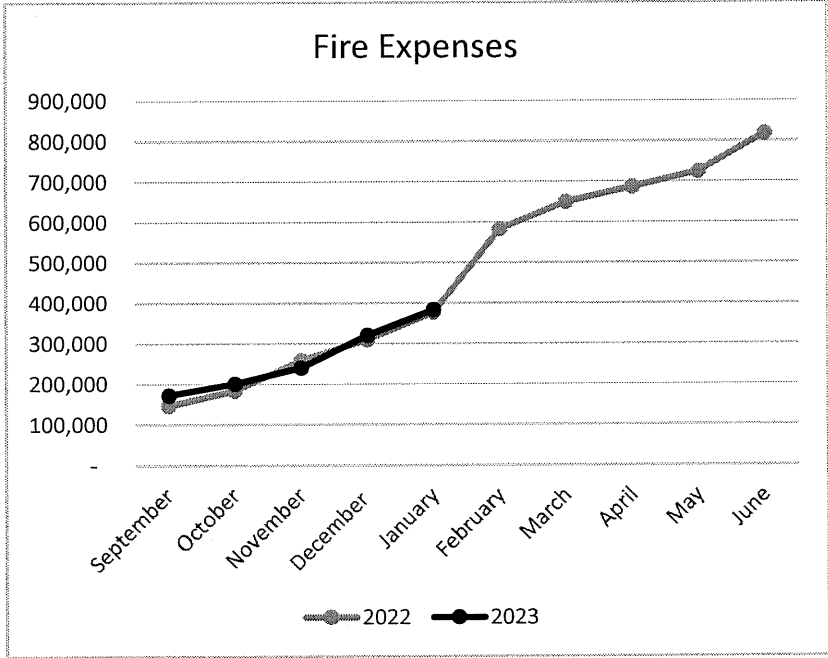
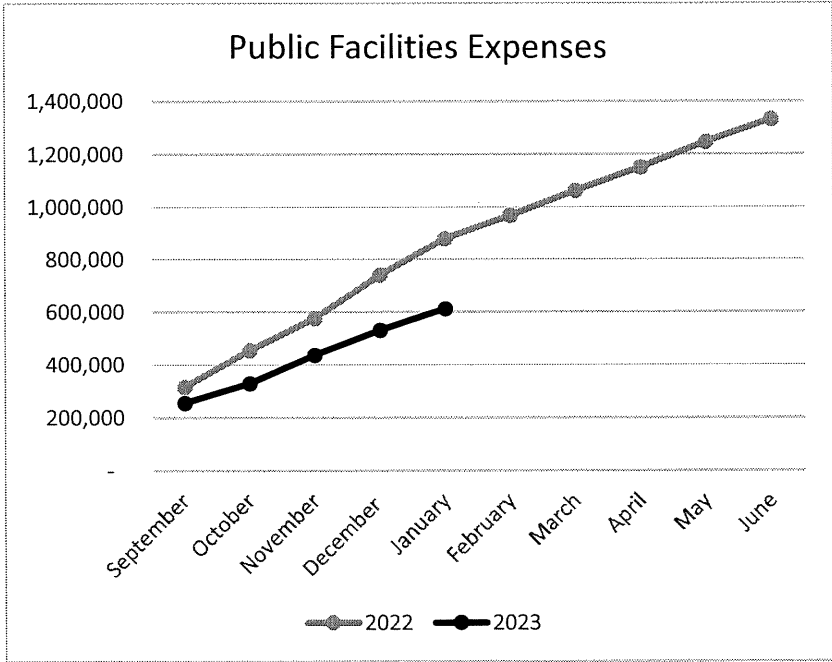
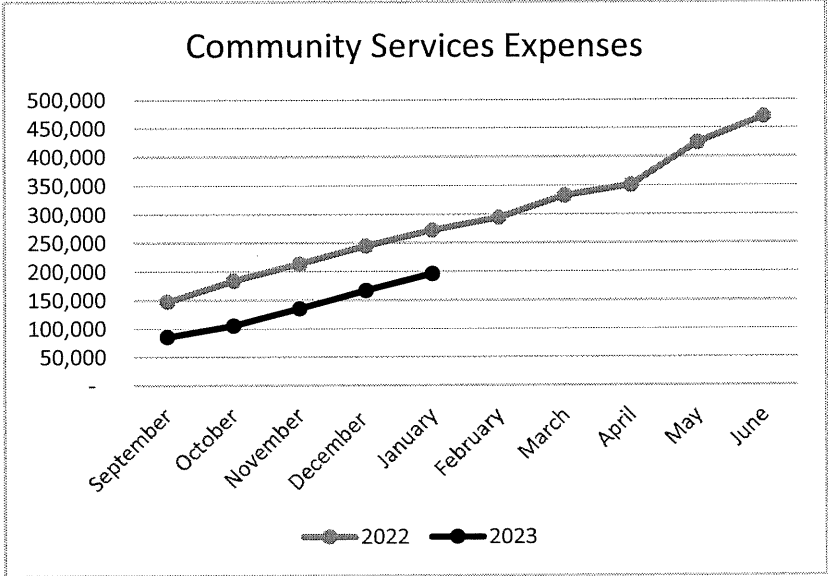
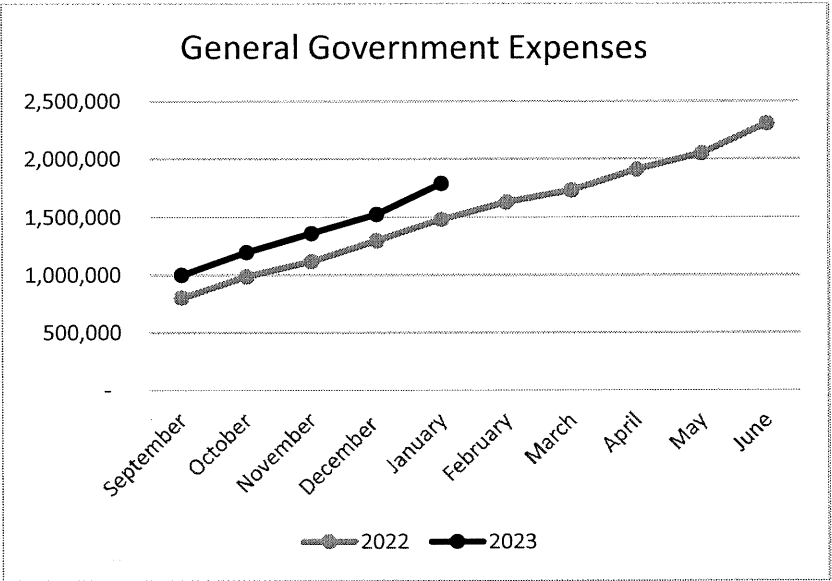
Town of Andover Local Receipts FY 2023 and FY 2022



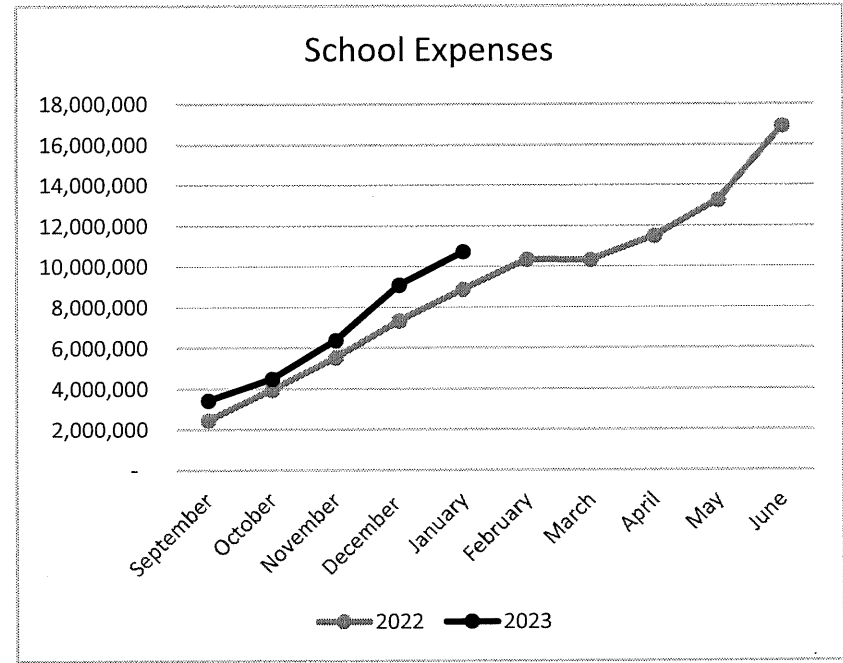
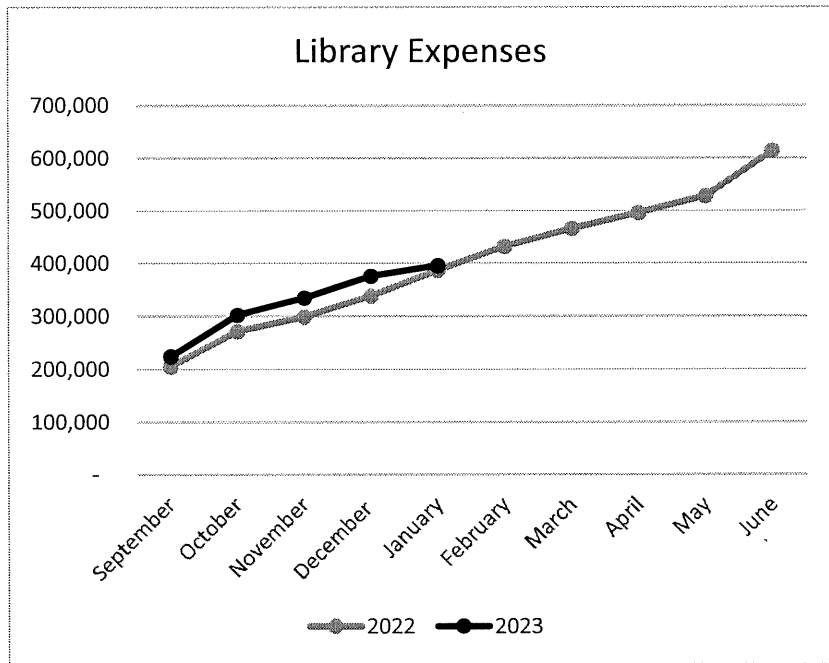
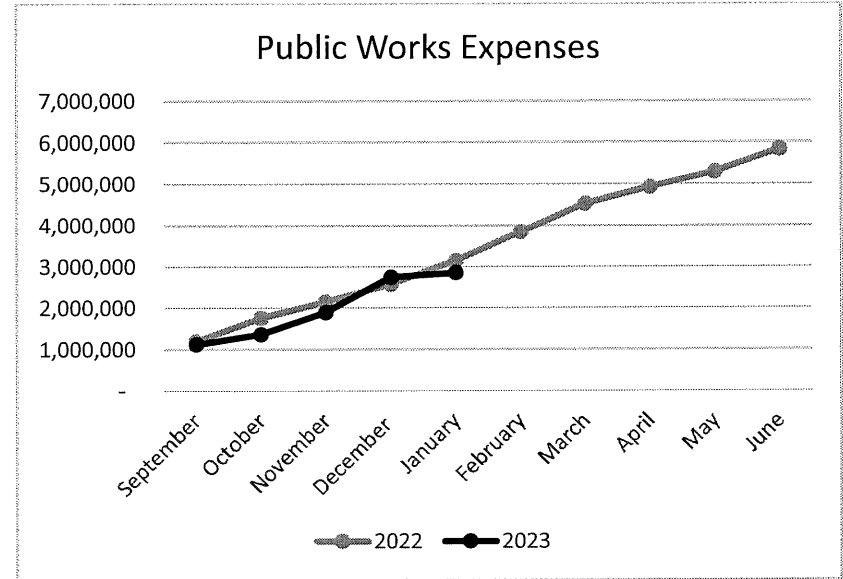
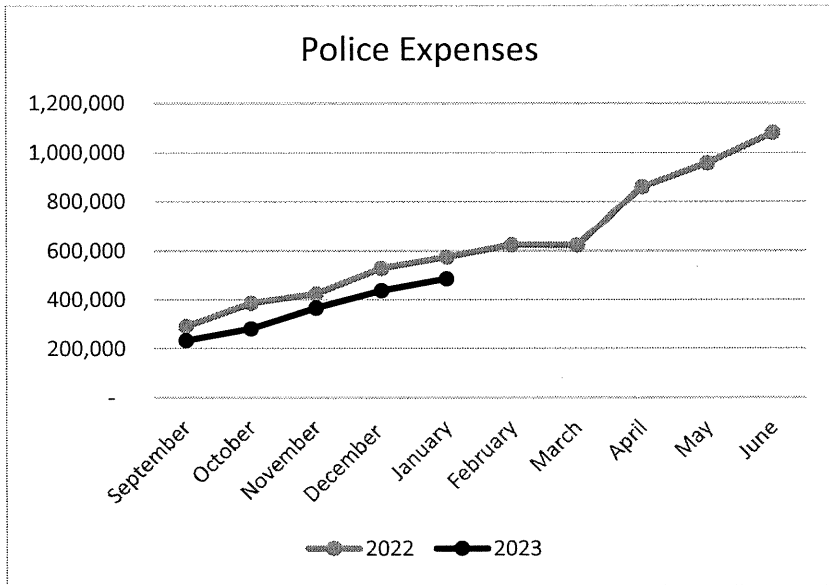
	0	\$1 M	\$2 M	\$3 M	\$4 M	\$5 M	\$6 M	\$7 M	\$8 M	\$9 M	\$10 M	\$11 M	\$12 M	\$13 M
		Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget		
■ FY 2022 % of Budget		17.6%	21.6%	26.6%	35.3%	41.4%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%		
■ FY 2023 % of Budget		22.3%	30.2%	36.0%	53.9%	60.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%		
■ FY 2022 Receipts		\$1,989,405	\$2,444,067	\$3,015,542	\$4,004,836	\$4,695,288							\$11,333,588	
■ FY 2023 Receipts		\$2,577,784	\$3,494,520	\$4,161,602	\$6,236,788	\$6,982,570							\$11,575,605	

Town of Andover
FY 2023 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 1/31/2023

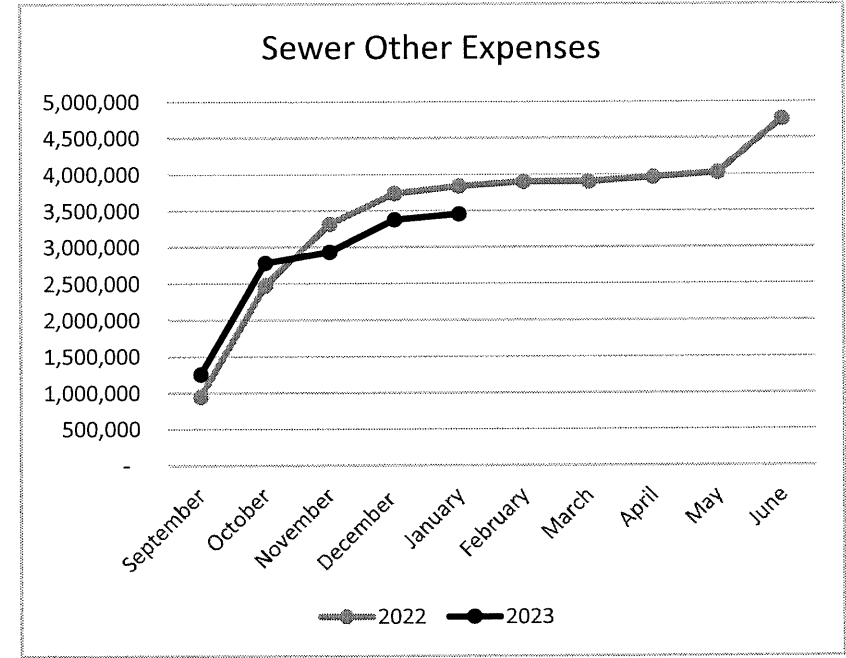
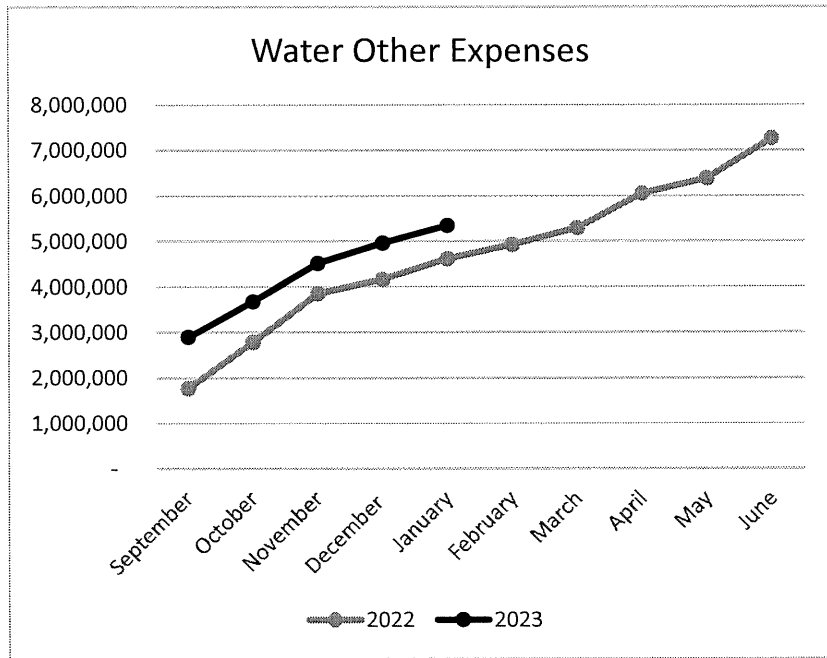
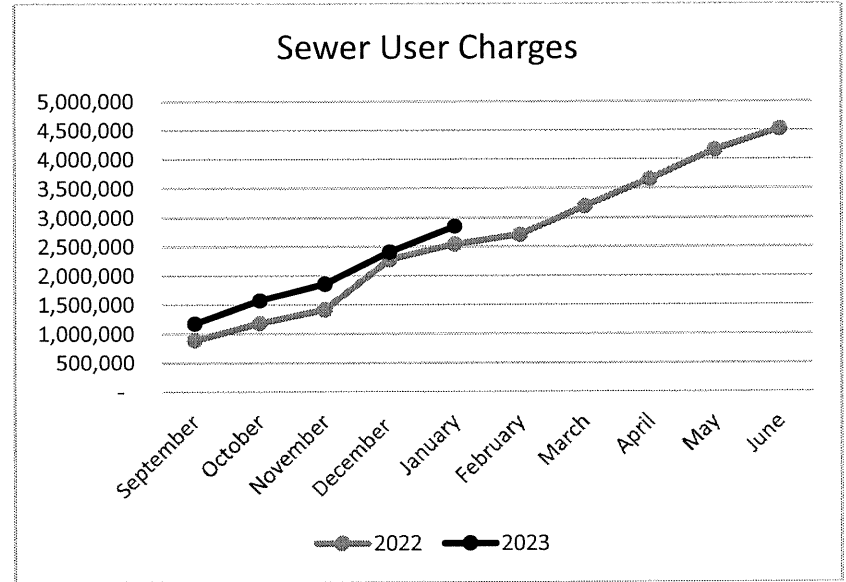
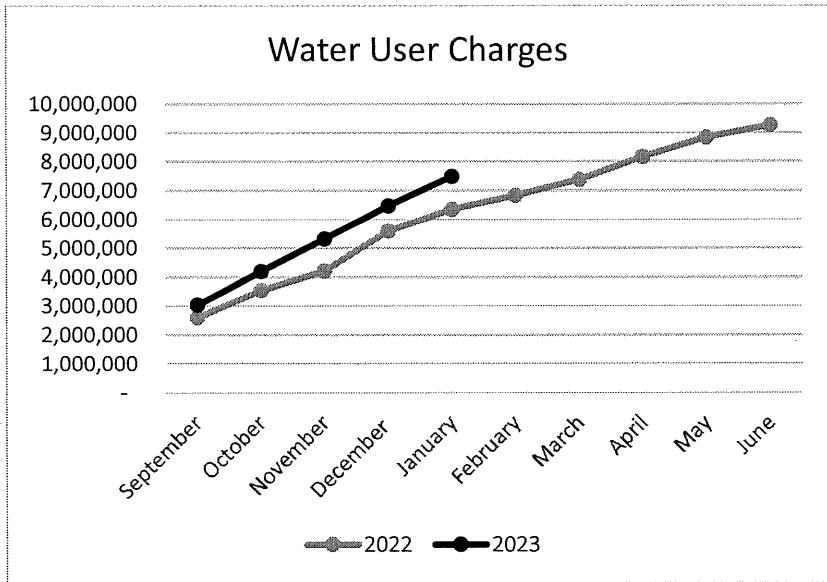
	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	7,511,444	27,661	7,539,105	4,084,869	-	3,454,236	54.2%	54.2%
Community Services	1,879,000	-	1,879,000	1,062,211	-	816,789	56.5%	56.5%
Public Facilities	2,592,091	-	2,592,091	1,392,293	-	1,199,798	53.7%	53.7%
Public Safety - Fire	8,611,698	14,621	8,626,319	5,040,133	14,621	3,571,565	58.6%	58.4%
Public Safety - Police	8,116,962	-	8,116,962	4,597,009	-	3,519,953	56.6%	56.6%
Public Works	3,834,283	-	3,834,283	2,126,011	-	1,708,272	55.4%	55.4%
Library	2,307,538	-	2,307,538	1,245,118	-	1,062,420	54.0%	54.0%
School	77,899,943	-	77,899,943	35,440,849	38,751,706	3,707,388	95.2%	45.5%
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	54,988,492	38,766,326	19,888,761	82.5%	48.4%
Water Enterprise	2,343,272	-	2,343,272	1,296,956	-	1,046,316	55.3%	55.3%
Sewer Enterprise	357,873	1,794	359,667	131,306	-	228,361	36.5%	36.5%
Total Personal Services - Enterprise Funds	2,701,145	1,794	2,702,939	1,428,262	-	1,274,677	52.8%	52.8%
Other Expenses								
General Government	2,721,202	222,087	2,943,289	1,788,258	373,458	781,574	73.4%	60.8%
Community Services	610,024	65,776	675,800	196,007	171,374	308,419	54.4%	29.0%
Public Facilities	1,354,850	193,418	1,548,268	611,943	529,251	407,074	73.7%	39.5%
Public Safety - Fire	612,050	62,985	675,035	382,664	102,411	189,960	71.9%	56.7%
Public Safety - Police	1,018,318	79,609	1,097,927	484,754	294,317	318,856	71.0%	44.2%
Public Works	5,888,050	353,729	6,241,779	2,848,030	2,849,270	544,479	91.3%	45.6%
Library	666,437	37,072	703,509	396,271	171,045	136,192	80.6%	56.3%
School	17,226,948	1,576,330	18,803,278	10,723,783	8,453,496	(374,000)	102.0%	57.0%
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	16,392,392	-	6,941,498	70.3%	70.3%
Insurance	1,164,000	6,313	1,170,313	1,099,392	17,005	53,916	95.4%	93.9%
Health Insurance	23,034,797	-	23,034,797	9,316,994	-	13,717,803	40.4%	40.4%
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	52,914,219	13,561,169	23,363,065	74.0%	58.9%
Water Enterprise	7,727,574	1,097,243	8,824,817	5,343,013	2,359,484	1,122,320	87.3%	60.5%
Sewer Enterprise	4,580,540	621,368	5,201,908	3,455,469	277,948	1,468,492	71.8%	66.4%
Total Other Expenses - Enterprise Funds	12,308,114	1,718,612	14,026,726	8,798,481	2,637,432	2,590,812	81.5%	62.7%
Total - General Fund	200,877,232	2,604,801	203,482,033	107,902,711	52,327,495	43,251,826	78.7%	53.0%
Total - Enterprise Funds	15,009,259	1,720,406	16,729,665	10,226,743	2,637,432	3,865,489	76.9%	61.1%



*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 1/31/23

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><u>\$ 165,200.00</u></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><u>\$ 848,339.00</u></u>

Town of Andover
FY 2023 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 1/31/23

	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 Managemen 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 1/31/2023	20,275	2,316	40,192	987,425	160,728	46,851	68,169	1,737	5,445	5,561	9,008	0	0	56,110	0	1,695
Expenditures thru 1/31/2023	11,074	0	33,114	918,277	115,885	10,250	49,067	0	0	26,346	6,608	0	0	14,525	95	29,624
Balance thru 1/31/2023	33,488	20,401	20,997	1,110,310	386,183	192,203	161,088	55,382	47,300	15,548	91,803	0	681	191,651	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	55.37%	0.00%	55.19%	91.83%	28.97%	6.83%	21.81%	0.00%	0.00%	43.91%	16.52%	0.00%	0.00%	14.53%	0.19%	14.81%

**Town of Andover
Capital Projects
1/31/2023**

	<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	992,392	1,011,898	983,681	433,466	
Encumbered	-	-	-	9,460	46,499	74,196	243,707	
Total School CIP	Available	-	-	9,748	91,603	127,122	594,327	822,801
Budget	222,000	579,018	487,000	1,044,098	902,108	137,000	150,000	
Expended	192,000	555,672	403,221	783,277	802,108	49,897	4,724	
Encumbered	-	9,300	38,223	35,246	-	37,455	5,810	
Total General Government CIP	Available	30,000	14,046	45,555	225,575	100,000	139,466	604,291
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	1,296,013	367,193	590,937	31,893	
Encumbered	-	18,348	259	3,211	15,412	180,724	76,197	
Total Facilities CIP	Available	-	5	3,477	3,775	85,395	408,340	1,557,902
Budget	195,000	293,500	250,077	195,000	195,000	255,000	-	
Expended	195,000	293,500	249,159	195,000	179,055	70,132	-	
Encumbered	-	-	-	-	15,945	105,253	-	
Total Police CIP	Available	-	918	-	-	79,615	-	80,534
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	-	-	-	
Encumbered	-	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	1,380,370	2,090,539	2,119,506	2,673,317	1,459,357	788,349	36,617	
Encumbered	-	29,592	38,482	49,339	31,356	450,652	82,007	
Total Town CIP	Available	39,631	63,100	67,088	229,443	220,395	585,999	1,366,376
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	3,159,506	3,665,708	2,471,255	1,772,030	470,083	
Encumbered	-	29,592	38,482	58,799	77,856	524,848	325,714	
Grand Total	Available	39,631	63,100	67,088	239,191	311,998	1,960,703	3,394,833