



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

From: Hayley Green, Town Accountant/Assistant Finance Director *AG*

CC: Andrew Flanagan, Michael Lindstrom, Donna Walsh, Paul Szymanski,
Janet Wright, Jared Mullane, Town Website

Date: December 18, 2019

Re: ***FY 2020 Financials***

The attached reports summarize the Town's financial position through October 31, 2019. 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 Projects status – FY13 – FY20

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

The attached reports of the Town Accountant summarize FY 2020 revenues and expenditures for the General Fund, Enterprise Funds, Compensation Fund, Reserve Fund, Revolving Funds and Capital Projects through October 31, 2019.

General Fund

The total general fund receipts of all sources collected through October 31, 2019 are in line with the annual projections through the first four months of the year. FY2020 local receipts are approximately \$1.1 million greater than FY 2019 collections through the same period of time. This large increase is primarily due to two large building permits in August and October for \$416,000 and \$95,000, respectively. Also contributing to this increase is a FEMA receipt of \$258,000 from the March 13, 2018 storm and investment income, where more cash was available at the beginning of this fiscal year due to the Columbia Gas Settlement. Off-set receipts collections are slightly lower than collections through the same period of time last fiscal year and are in line with the annual projections.

General fund personal services and other expenditures are both consistent with FY 2020 projections through October 2019. The school encumbers most of their expenditures at the beginning of the fiscal year and adjusts estimates during the year. The required appropriation for pension, as well as the \$300,000 additional appropriation, was paid in full in August.

Water Enterprise Fund

The total water enterprise fund collections are consistent with the annual projections through October 2019 and are consistent with prior year receipts. Water personal services and other expenditures are both also consistent with FY 2020 projections through October 2019.

Sewer Enterprise Fund

The total sewer enterprise fund collections are lower than projections through October 2019. This is primarily due to timing of bills and payments, where the user charges

decreased approximately \$367,000 from FY19. Sewer personal services came in less than FY2020 projections and other expenditures are higher than the FY 2020 projections through October 2019.

Reserve Fund

Town Meeting approved a reserve fund balance of \$200,000. In August 2019, the Finance Committee approved a transfer of \$60,000 to be used for emergency water system repairs at Andover High School.

Compensation Fund

Town Meeting approved a compensation fund balance of \$590,000. This money has not been used through October 2019.

Revolving Accounts

Town Meeting voted to approve 14 revolving funds with a total spending limit of \$1,980,000. Recreation has spent 54.5% of their allotment due to their many programs taking place in the summer which is the first two months of the fiscal year.

Capital Projects

These projects are part of the Town's capital improvement plan voted at Town Meeting from taxation. There have been discussions with department heads regarding the use of old and nominal balances prior to using newer appropriations for the same purpose. The finance department is working on creating a policy for use of prior balances.

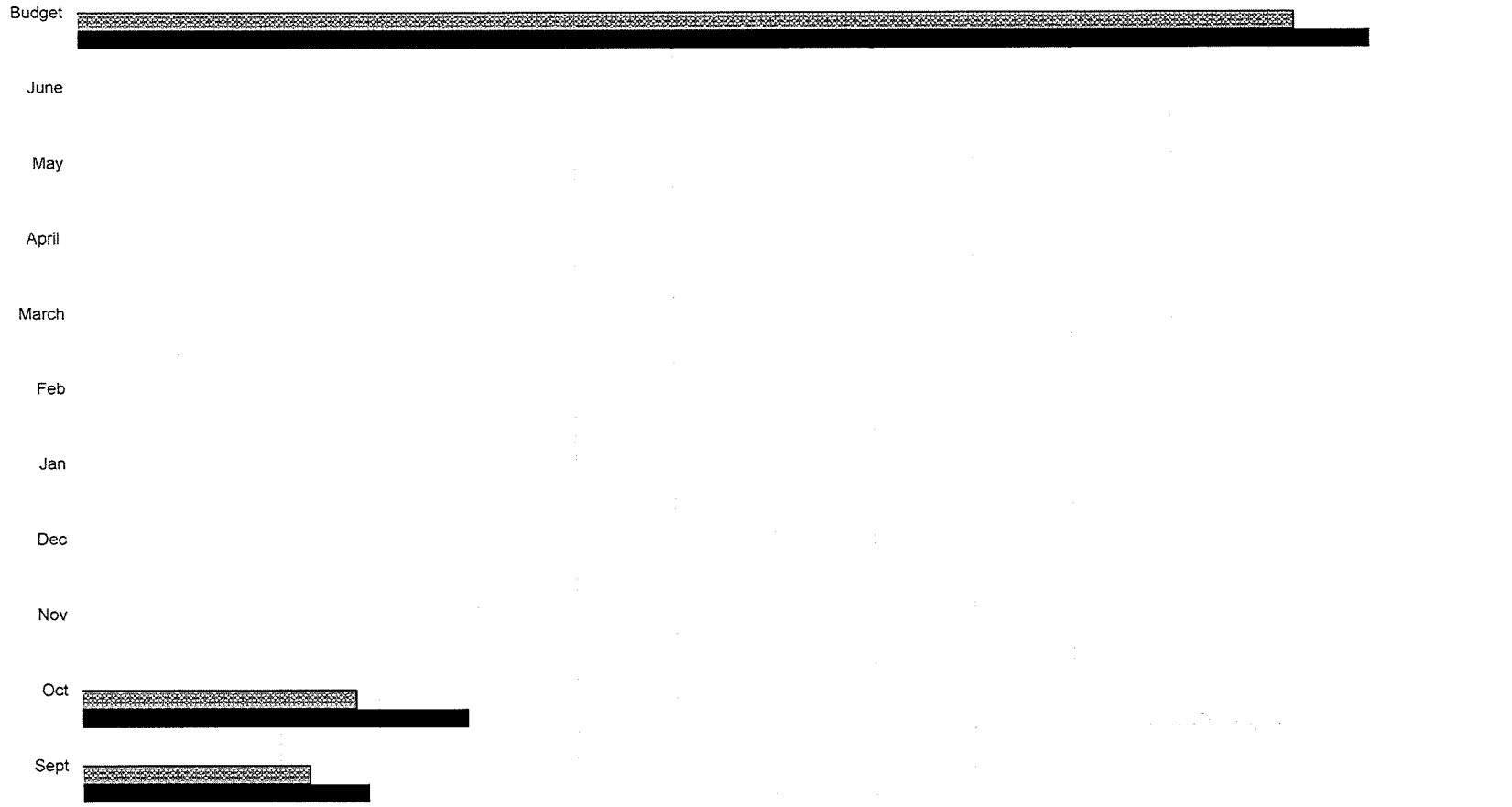
Town of Andover
FY 2020 General Fund Year-To-Date Revenue Report
Budgeted vs. Actuals 10/31/2019 and 10/31/2018

	FY 20 Budgeted	FY 20 YTD	%	FY 19 Budgeted	FY 19 YTD	%	Change in	Change in
Local Receipts	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Motor Vehicle Excise	5,826,858	624,007	10.7%	5,331,697	650,018	12.2%	495,161	(26,011)
Hotel/Motel/Meals	2,358,666	781,791	33.1%	2,250,205	779,126	34.6%	108,461	2,665
Penalties and Interest on Taxes and Excises	461,500	288,226	62.5%	326,345	220,621	67.6%	135,155	67,605
Fees	59,850	38,495	64.3%	82,813	14,556	17.6%	(22,963)	23,939
Payments in Lieu of Taxes	412,000	-	0.0%	382,000	-	0.0%	30,000	-
Other Departmental Revenues	250,950	59,085	23.5%	270,492	69,798	25.8%	(19,542)	(10,713)
Other Departmental Revenues - School Medicare	366,924	43,214	11.8%	353,279	53,940	15.3%	13,645	(10,726)
Non-Recurring Revenues	-	258,187	N/A	-	-	0.0%	-	258,187
Licenses and Permits	2,400,000	1,223,318	51.0%	2,832,111	677,681	23.9%	(432,111)	545,637
Fines & Forfeits	242,000	79,314	32.8%	275,000	87,669	31.9%	(33,000)	(8,355)
Investment Income	631,269	498,820	79.0%	146,100	211,673	144.9%	485,169	287,147
Total Estimated Receipts	13,010,017	3,894,456	29.9%	12,250,042	2,765,082	22.6%	759,975	1,129,374
Off-Set Receipts	FY 20 Budgeted	FY 20 YTD	%	FY 19 Budgeted	FY 19 YTD	%	Change in	Change in
	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Recreation	583,510	192,187	32.9%	583,510	139,891	24.0%	-	52,296
Elder Services	106,000	35,748	33.7%	106,000	37,616	35.5%	-	(1,868)
Public Facilities - Rental Receipts	80,000	33,257	41.6%	80,000	29,171	36.5%	-	4,086
Cemetery - Interment Fees	60,000	11,172	18.6%	60,000	30,201	50.3%	-	(19,029)
Public Safety - Police Detail Fees	90,000	20,130	22.4%	90,000	47,341	52.6%	-	(27,211)
Public Safety / Fire - Ambulance Receipts	1,350,000	459,796	34.1%	1,300,000	491,259	37.8%	50,000	(31,463)
Total Off-Set Receipts	2,269,510	752,290	33.1%	2,219,510	775,479	34.9%	50,000	(23,189)
Other Revenues	FY 20 Budgeted	FY 20 YTD	%	FY 19 Budgeted	FY 19 YTD	%	Change in	Change in
	Receipts	Revenues	Collected	Receipts	Revenues	Collected	Budgets	YTD Receipts
Property Taxes (inc. Tax Titles)	148,337,563	70,197,963	47.3%	145,370,283	65,251,249	44.9%	2,967,280	4,946,714
State Aid	13,929,158	4,530,715	32.5%	12,783,980	3,202,735	25.1%	1,145,178	1,327,980
Total Other Revenues	162,266,721	74,728,678	46.1%	158,154,263	68,453,984	43.3%	4,112,458	6,274,694
Total Revenues	177,546,248	79,375,424	44.7%	172,623,815	71,994,545	41.7%	4,922,433	7,380,879

Town of Andover
FY 2020 Enterprise Funds Year-To-Date Revenue Report
Budgeted vs. Actuals 10/31/2019 and 10/31/2018

Water Fund	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	8,511,201	3,252,507	38.2%	8,466,192	3,257,319	38.5%	45,009	(4,812)
Water Connection	41,000	39,699	96.8%	41,000	2,516	6.1%	-	37,183
Water Testing Fees	25,000	13,495	54.0%	22,000	10,180	46.3%	3,000	3,315
Meter Installations	9,000	5,220	58.0%	10,000	5,996	60.0%	(1,000)	(776)
Fire Flow Test	9,000	11,206	124.5%	9,000	12,185	135.4%	-	(979)
Special/Final Reads	25,000	12,967	51.9%	25,000	11,900	47.6%	-	1,067
Backflow/Cross Connection Fees	75,000	195	0.3%	75,000	16,120	21.5%	-	(15,925)
Water Tap	-	350	N/A	-	-	N/A	-	350
Liens	120,000	9,037	7.5%	120,000	18,436	15.4%	-	(9,399)
Fire Suppression	150,000	77,397	51.6%	150,000	85,676	57.1%	-	(8,279)
Interest /Misc Revenue	-	1,065	N/A	9,000	1,725	19.2%	(9,000)	(660)
Non-Revenue Interest	19,000	22,415	118.0%	19,000	12,746	67.1%	-	9,669
Total Water Receipts	8,984,201	3,445,553	38.4%	8,946,192	3,434,799	38.4%	38,009	10,754
Sewer Fund	FY 20 Budgeted Receipts	FY 20 YTD Revenues	% Collected	FY 19 Budgeted Receipts	FY 19 YTD Revenues	% Collected	Change in Budgets	Change in YTD Receipts
User Charges	4,841,042	1,407,265	29.1%	4,722,968	1,773,767	37.6%	118,074	(366,502)
Committed Interest/Income	235,000	5,118	2.2%	245,000	6,938	2.8%	(10,000)	(1,820)
Liens	90,000	6,068	6.7%	90,000	12,705	14.1%	-	(6,637)
Apport Assmnts	491,400	72,327	14.7%	519,000	74,073	14.3%	(27,600)	(1,746)
State Reimb/Grants	-	-	N/A	3,000	6,868	0.0%	(3,000)	(6,868)
Interest /Misc Revenue	-	1,562	N/A	9,000	2,282	25.4%	(9,000)	(720)
Non-Revenue Interest	45,046	13,957	31.0%	21,000	7,290	34.7%	24,046	6,667
Total Sewer Receipts	5,702,488	1,506,297	26.4%	5,609,968	1,883,923	33.6%	92,520	(377,626)
Total Enterprise Revenues	14,686,689	4,951,850	33.7%	14,556,160	5,318,722	36.54%	130,529	(366,872)

Town of Andover Local Receipts FY 2020 and FY 2019



	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	\$14 M
	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget				
■ FY 2019 % of Budget	18.7%	22.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
■ FY 2020 % of Budget	22.2%	29.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
■ FY 2019 Receipts	\$2,293,534	\$2,765,082													\$12,250,042
■ FY 2020 Receipts	\$2,892,582	\$3,894,456													\$13,010,017

Town of Andover
FY 2020 Year-To-Date Budget Report
Personal Services and Other Expenditures thru 10/31/2019

	Original Appropriation	Transfers/ Adjustments	Revised Budget	YTD Expended	Encumbrances	Available Balance	% Expended & Encumbered	% Expended
Personal Services								
General Government	6,510,793	22,559	6,533,352	2,054,267	22,550	4,456,535	31.8%	31.4%
Community Services	1,735,271	435	1,735,706	701,415	-	1,034,291	40.4%	40.4%
Public Facilities	2,374,145	-	2,374,145	791,942	-	1,582,203	33.4%	33.4%
Public Safety - Fire	8,057,923	11,777	8,069,700	2,700,506	11,777	5,357,417	33.6%	33.5%
Public Safety - Police	7,722,156	12,456	7,734,612	2,517,050	12,453	5,205,109	32.7%	32.5%
Public Works	3,464,080	11,487	3,475,567	1,147,351	11,187	2,317,029	33.3%	33.0%
Library	2,177,076	-	2,177,076	684,751	-	1,492,325	31.5%	31.5%
School	70,166,040	-	70,166,040	13,609,588	54,754,700	1,801,752	97.4%	19.4%
Compensation Fund	590,000	-	590,000	-	-	590,000	0.0%	0.0%
Total Personal Services - General Fund	102,797,484	58,714	102,856,198	24,206,870	54,812,667	23,836,661	76.8%	23.5%
Water Enterprise	2,056,092	-	2,056,092	726,047	-	1,330,045	35.3%	35.3%
Sewer Enterprise	333,049	-	333,049	81,839	-	251,210	24.6%	24.6%
Total Personal Services - Enterprise Funds	2,389,141	-	2,389,141	807,886	-	1,581,255	33.8%	33.8%
Other Expenses								
General Government	2,160,275	167,817	2,328,092	909,451	521,564	897,077	61.5%	39.1%
Community Services	672,690	9,026	681,716	175,527	111,514	394,675	42.1%	25.7%
Public Facilities	1,398,600	222,771	1,621,371	323,879	602,735	694,757	57.2%	20.0%
Public Safety - Fire	527,150	28,863	556,013	168,764	163,599	223,650	59.8%	30.4%
Public Safety - Police	1,046,800	39,894	1,086,694	319,387	325,941	441,366	59.4%	29.4%
Public Works	5,272,339	532,637	5,804,976	1,431,279	1,656,349	2,717,348	53.2%	24.7%
Library	667,312	-	667,312	243,116	313,497	110,699	83.4%	36.4%
School	15,763,768	192,976	15,956,744	4,916,507	12,012,645	(972,408)	106.1%	30.8%
Technical Schools	647,149	-	647,149	137,150	411,451	98,548	84.8%	21.2%
Debt Service	15,149,625	-	15,149,625	5,221,676	-	9,927,949	34.5%	34.5%
Insurance	1,064,473	-	1,064,473	518,052	20,000	526,421	50.5%	48.7%
Health Insurance	21,340,842	-	21,340,842	3,879,428	-	17,461,414	18.2%	18.2%
Unemployment	160,000	-	160,000	53,202	2,925	103,873	35.1%	33.3%
Retirement	11,410,355	-	11,410,355	11,410,355	-	-	100.0%	100.0%
Reserve Fund	200,000	(60,000)	140,000	-	-	140,000	0.0%	0.0%
OPEB Appropriation	1,569,559	-	1,569,559	-	-	1,569,559	0.0%	0.0%
Total Other Expenses - General Fund	79,050,937	1,133,984	80,184,921	29,707,773	16,142,220	34,334,928	57.2%	37.0%
Water Enterprise	3,290,950	300,307	3,591,257	1,004,558	1,496,507	1,090,192	69.6%	28.0%
Sewer Enterprise	2,654,975	129,317	2,784,292	1,205,889	1,379,969	198,434	92.9%	43.3%
Total Other Expenses - Enterprise Funds	5,945,925	429,624	6,375,549	2,210,447	2,876,476	1,288,626	79.8%	34.7%
Total - General Fund	181,848,421	1,192,698	183,041,119	53,914,643	70,954,887	58,171,589	68.2%	29.5%
Total - Enterprise Funds	8,335,066	429,624	8,764,690	3,018,333	2,876,476	2,869,881	67.3%	34.4%

Town of Andover
FY 2020 Reserve Account and Compensation Fund
As of 10/31/19

RESERVE FUND

Appropriation by Vote of Town Meeting April 2019	\$ 200,000.00
Transfers by Vote of Town Meeting	0.00
Transfers by Authority of the Finance Committee	60,000.00
Available Balance	<u>\$ 140,000.00</u>

COMPENSATION FUND

Appropriation by Vote of Town Meeting April 2019	\$ 590,000.00
Transfers by Vote of Town Meeting	0.00
Transfer by Authority of the Select Board	0.00
Available Balance	<u>\$ 590,000.00</u>

Town of Andover
FY 2020 Revolving Accounts
(M.G.L. CH. 44, § 53 E1/2)
As of 10/31/19

	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
Balance thru 6/30/2018	14,318	13,937	44,301	375,229	270,641	110,714	194,909	26,306	14,634	24,972	22,490	0	36,226	38,945
Receipts thru 6/30/2019	21,135	4,474	46,933	730,240	405,283	88,502	159,243	6,742	6,283	20,747	32,852	0	22,400	54,270
Expenditures thru 6/30/2019	20,812	452	49,617	683,717	425,005	80,724	161,340	0	0	14,914	8,059	0	23,197	28,943
Balance thru 6/30/2019	14,640	17,958	41,618	421,752	250,919	118,492	192,812	33,049	20,916	30,806	47,282	0	35,428	64,272
Receipts thru 10/31/2019	6,640	1,105	9,055	291,198	108,923	32,883	50,523	1,702	1,716	3,954	5,329	0	8,401	2,530
Expenditures thru 10/31/2019	6,294	765	17,368	340,893	104,205	27,019	41,084	0	0	6,120	0	0	1,102	1,065
Balance thru 10/31/2019	14,986	18,298	33,305	372,057	255,637	124,356	202,251	34,751	22,632	28,640	52,611	0	42,727	65,737

Spending Authorization Art 16 - ATM 19	\$30,000	\$20,000	\$60,000	\$625,000	\$500,000	\$150,000	\$225,000	\$50,000	\$15,000	\$60,000	\$40,000	\$5,000	\$100,000	\$100,000
Y-T-D % Spent	20.98%	3.83%	28.95%	54.54%	20.84%	18.01%	18.26%	0.00%	0.00%	10.20%	0.00%	0.00%	1.10%	1.07%

**Town of Andover
Capital Projects
10/31/2019**

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total Available
Budget	912,500	1,003,000	1,040,000	1,078,000	1,120,000	1,495,643	1,040,000	1,011,600	
Expended	912,500	1,003,000	1,037,364	1,075,010	1,114,770	1,436,481	778,599	227,297	
Encumbered	-	-	-	2,990	2,100	47,043	135,155	145,080	
Total School CIP Available	-	-	2,636	0	3,130	12,120	126,246	639,223	783,355
Budget	145,000	70,000	85,000	112,000	222,000	579,018	487,000	1,044,098	
Expended	135,237	70,000	60,095	65,900	157,061	550,755	347,401	73,280	
Encumbered	-	-	9,905	-	-	13,050	25,626	43,755	
Total General Government CIP Available	9,763	-	15,000	46,100	64,939	15,213	113,973	927,063	1,192,051
Budget	-	-	62,000	-	-	32,214	-	-	
Expended	-	-	39,976	-	-	28,601	-	-	
Encumbered	-	-	-	-	-	-	-	-	
Total Youth Services CIP Available	-	-	22,024	-	-	3,613	-	-	25,637
Budget	25,000	21,100	17,000	70,000	50,000	-	-	-	
Expended	25,000	21,100	17,000	66,873	50,000	-	-	-	
Encumbered	-	-	-	-	-	-	-	-	
Total Recreation CIP Available	-	-	-	3,127	-	-	-	-	3,127
Budget	65,000	79,000	50,000	25,000	25,000	-	-	10,000	
Expended	65,000	79,000	50,000	20,933	23,423	-	-	-	
Encumbered	-	-	-	3,763	-	-	-	-	
Total Library CIP Available	-	-	-	304	1,577	-	-	10,000	11,882
Budget	375,000	589,400	550,000	590,000	623,000	800,000	946,000	1,303,000	
Expended	375,000	589,400	550,000	574,836	611,551	750,928	560,329.75	5,860.69	
Encumbered	-	-	-	13,500	4,299	15,619	184,231.19	96,675.85	
Total Facilities CIP Available	-	-	-	1,664	7,150	33,453	201,439	1,200,463	1,444,170
Budget	225,500	215,500	281,000	285,000	195,000	293,500	250,077	195,000	
Expended	225,500	215,500	251,628	281,849	195,000	293,400	202,374	-	
Encumbered	-	-	3,525	-	-	-	-	-	
Total Police CIP Available	-	-	25,847	3,151	-	100	47,703	195,000	271,801
Budget	82,000	142,000	79,000	50,000	20,000	63,500	214,000	-	
Expended	66,800	142,000	20,455	37,332	16,623	61,352	71,715	-	
Encumbered	15,200	-	-	-	-	-	-	-	
Total Fire CIP Available	-	-	58,545	12,668	3,378	2,148	142,285	-	219,024
Budget	190,000	160,000	206,000	240,000	285,000	415,000	328,000	400,000	
Expended	187,077	152,895	205,813	233,375	225,018	333,541	208,961	14,820	
Encumbered	-	6,105	187	6,625	1,082	35,326	22,989	185,180	
Total DPW CIP Available	2,923	1,000	-	-	58,900	46,132	96,050	200,000	405,005
Budget	1,107,500	1,277,000	1,330,000	1,372,000	1,420,000	2,183,232	2,225,077	2,952,098	
Expended	1,079,614	1,269,895	1,194,967	1,281,097	1,278,675	2,018,578	1,390,781	93,961	
Encumbered	15,200	6,105	13,617	23,888	5,381	63,995	232,845	325,611	
Total Town CIP Available	12,685	1,000	121,416	67,015	135,945	100,659	601,451	2,532,526	3,572,697
Budget	2,020,000	2,280,000	2,370,000	2,450,000	2,540,000	3,678,875	3,265,077	3,963,698	
Expended	1,992,115	2,272,895	2,232,330	2,356,107	2,393,445	3,455,059	2,169,380	321,258	
Encumbered	15,200	6,105	13,617	26,878	7,481	111,038	368,000	470,691	
Grand Total Available	12,685	1,000	124,053	67,015	139,074	112,779	727,696	3,171,749	4,356,051