

**STATUS OF MWRA BUDGETS THROUGH MAY 1992**

**FY92 CURRENT EXPENSE BUDGET**

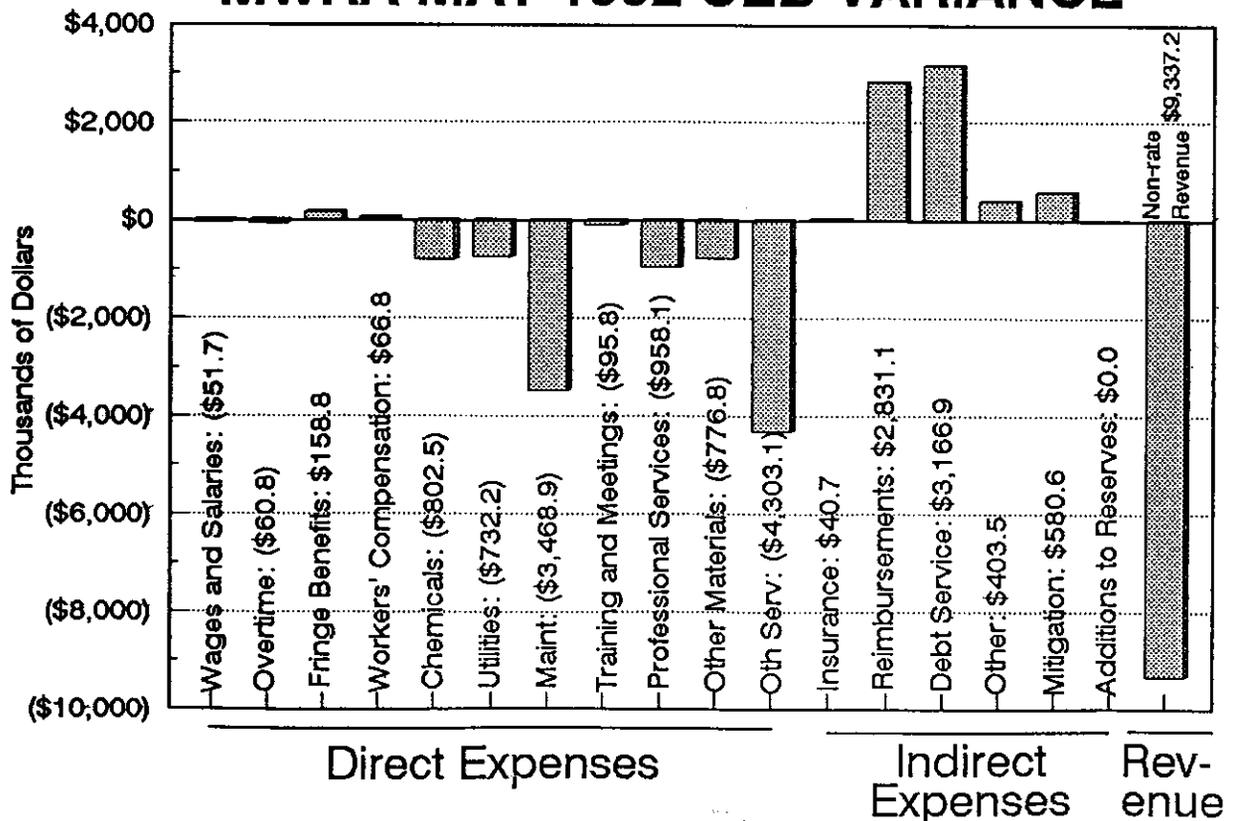
Spending through May totaled \$242.1 million, or 98.4% of the \$246.1 million budgeted for the period. The variance in direct expenses, which is \$11.0 million under budget, is somewhat offset by accruals for indirect expenses of \$7.0 million greater than budgeted.

Major components of \$11.0 million underspending in direct expenses can be attributed to the following: Other Services (\$4.3), Maintenance (\$3.5), Professional Services (\$0.9), Chemicals (\$0.8), and Utilities (\$0.7). Spending on Wages and Salaries, which was running well under budget throughout the fiscal year, has approached budgeted amounts and is currently only \$51,700 under budget.

Major components of the \$7.0 million of accruals for indirect expenses can be primarily attributed to overspending in Mitigation costs, as well as accruals of the MDC Debt payment to the Commonwealth and Furlough Program. Mitigation costs to Quincy were \$515,707 higher than budget due to starting the Pelletizing Plant in Fore River in the second quarter rather than the third quarter of the year. Also there was \$75,000 accrued for Outfall Monitoring to Barnstable County which was added to the budget. The Authority has accrued \$1.3 million under Commonwealth Reimbursements for the Furlough Program. Presently as it stands in the legislation, it appears highly unlikely that the Authority will ever have to pay for the Furlough Program. The Authority has also accrued \$6.1 million for payment of the MDC Debt.

By year end, the Authority expects a surplus of nearly \$10.8 million, most of which is due to investment income from the Construction Fund, which is now credited to the Current Expense Budget.

**MWRA MAY 1992 CEB VARIANCE**



**FY92 CAPITAL BUDGET**

Spending through May is 72.2% of budgeted amounts: \$373.3 million as compared to \$516.8 million planned. This compares to spending through the first three quarters at 78.1% of budget. Through the first eleven months of FY92, the Authority's Capital Improvement Program is \$143.5 million under budget.

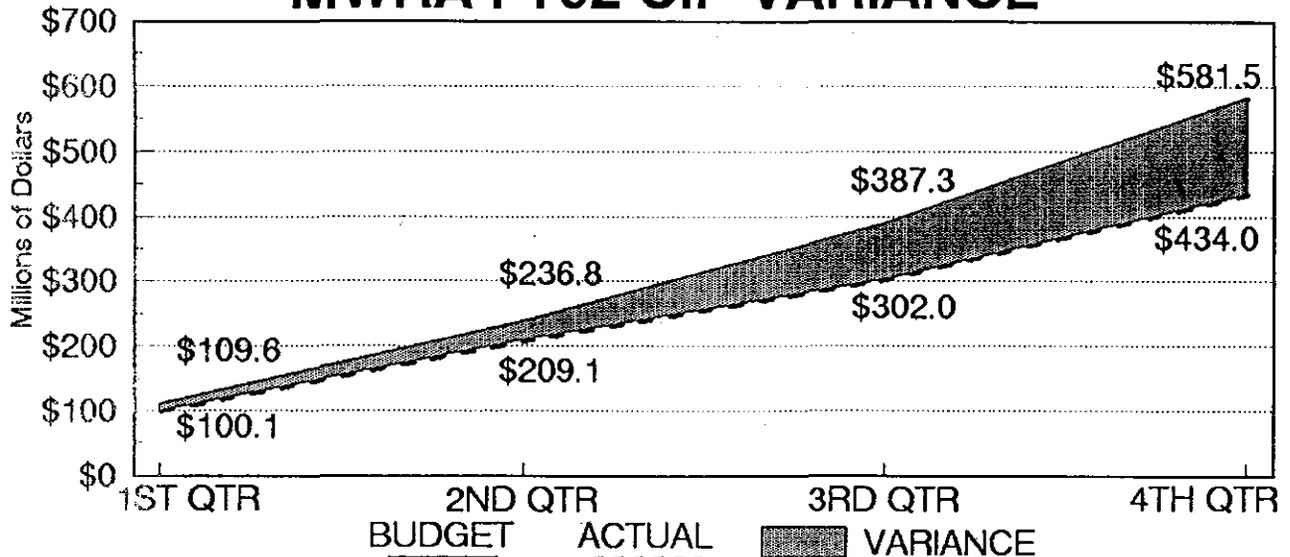
Accrued expenses for the month of May came to \$42.8 million, roughly two-thirds of the \$64.7 million budgeted for the month. This low level of spending is due in large part to lengthening schedules for some projects as well as lower bid prices than had been assumed when cash flows were estimated over a year ago. The Authority now projects expenditures of \$60.7 million in June, roughly 20% more than the previously highest spending month (August) of FY92.

Accrued spending in May for Deer Island was \$33.9 million or 67.5% of the \$50.2 million budgeted. Through the first eleven months of FY92, accrued spending for Deer Island was \$279.5 million or 75.7% of the \$368.9 million budgeted. Major components of the Deer Island project that are running behind or below budgeted amounts are the Outfall Tunnel (\$21.2), On-site Power Plant (\$16.0), Disinfection Facility (\$12.0), Admin/Lab Building (\$11.9), Primary Digesters (\$10.7), Secondary Treatment Design (\$5.4). Spending should increase in June as several projects -- including the Administration/Lab building, the Outfall Tunnel, and the Digesters -- move forward.

Underspending in projects other than Deer Island total \$54.1 million through the first eleven months of FY92. Most of this variance can be attributed to the following projects: CSO Control Program (\$11.2), Water Transportation Facilities (\$7.5), Residuals (\$6.8), Framingham Extension (\$4.6), New Neponset (\$4.0), and Central Monitoring System Expansion (\$3.0).

The Authority now expects to end the year at \$434.0 million, as compared to the \$581.5 million budgeted. Further delays in start-up of the outfall Tunnel drilling should result in a somewhat lower level of spending, closer to 73% of the budgeted amount.

**MWRA FY92 CIP VARIANCE**



Note: Numbers represent quarterly cumulative cashflows.  
Fourth quarter total includes actuals for April and May and projection for June.