

Montgomery County, Maryland
Solid Waste Fund Financial Disclosure
Fiscal Year 2005

Introduction

This document contains updated Fiscal Year 2005 financial information for the Montgomery County, Maryland Solid Waste Fund. This information is being provided in relation to the Montgomery County Solid Waste Disposal System Refunding Revenue Bonds (2003 Series A) and the Northeast Maryland Waste Disposal Authority Solid Waste Refunding Revenue Bonds (Montgomery County Solid Waste Disposal System) Series 2003 (collectively, the “Bonds”).

Audited Financial Information

The audited financial information pertaining to the Montgomery County, Maryland Solid Waste Fund has been filed under separate cover as part of the County’s Comprehensive Annual Financial Report for Fiscal Year 2005.

Material Changes to Chapter 48

There have been no material changes to Chapter 48 since the dates of the official statements relating to the Bonds.

Updates to Description of County System

The description of the County System set forth in the official statements relating to the Bonds under the headings “Legislative Authority,” “Solid Waste Management Plan,” “Master Authorization” and “Disposal System Revenues” remains materially correct except as updated as follows:

Long Term Expenses are (a) any amounts payable by the County pursuant to Long Term Obligations and (b) debt service on certain general obligation bonds that the County issued prior to adoption of the Master Authorization and of which \$56,514 in principal amount remains outstanding. Under the Master Authorization, the available fund balances that may be taken into account in determining compliance with the Rate Covenant may not exceed 25% of the rates, fees, and charges which would have to be imposed to meet the Rate Covenant if such balances were not considered.

Updated Financial Information

The following tables update the financial information set forth in the official statements relating to the Bonds:

Table 3

Historical Waste Disposal Methods for County Generated Waste (in tons)

Waste Disposal by Type of Facility

	2001	2002	2003	2004	2005
County System					
Refuse Sent to Resource Recovery Facility ¹	522,686	575,312	624,445	639,764	572,441
By-Pass; Accepted But Not Burned (Pilot Test)	0	0	0	6,405	0
Yard Waste at County System Facilities	72,573	70,730	89,077	79,051	76,925
Other Recyclables at County System Facilities ²	87,580	91,470	93,682	132,039	127,154
Nonprocessable Waste at County Facilities	52,463	66,119	60,959	124,049	126,435
Total Solid Waste Processed by County System	735,302	803,631	868,163	981,308	902,955
Non-County System					
Back-yard composting	106,736	110,100	99,457	82,274	110,852
Recyclables at Non-County System Facilities	127,172	140,359	153,531	158,961	184,968
Exported Refuse	181,078	157,651	141,190	158,153	188,795
Total Solid Waste Disposed by Non-County System Facilities ³	414,986	408,110	394,178	399,388	484,615
Total County Generated Waste	1,150,288	1,211,741	1,262,341	1,380,696	1,387,570

1. Refuse loaded on rail to RRF plus residue from County yard trim recycling facility to RRF.

2. Does not include metals recovered from residue.

3. Does not include construction and demolition debris exported by private sector.

Disposition of Waste Delivered to Resource Recovery Facility

	2001	2002	2003	2004	2005
Waste reduction through combustion	363,338	388,075	424,736	449,415	385,175
Metals recovered from Residue	14,623	16,447	19,504	19,626	17,534
Ash Recycled	29,775	--	--	--	--
Ash Landfilled	114,950	170,790	180,205	190,349	169,732
Total Refuse combusted at Resource Recovery Facility ¹	522,686	575,312	624,445	659,390	572,441

1. Refuse loaded on rail to RRF plus residue from County yard trim recycling facility to RRF.

Source: Montgomery County, Maryland

Table 6

**Annual Per-Household Rates of Residential
System Benefit Charges**

	2002	2003	2004	2005	2006
Single Family ¹ (\$ per Dwelling Unit)					
Solid Waste Disposal Fee	\$32.69	\$40.34	\$45.47	\$52.67	\$51.98
Base System Benefit Charge	61.31	65.21	50.92	39.69	51.86
Incremental System Benefit Charge	76.47	64.92	80.31	96.92	91.74
Total Single- Family	\$170.47	\$170.47	\$176.70	\$189.28	\$195.58
Multi-Family ² (\$ per Dwelling Unit)					
Base System Benefit Charge	\$39.58	\$25.19	\$27.60	\$ 8.46	\$14.81
Incremental System Benefit Charge	4.16	16.10	9.05	12.10	6.48
Total Multi- Family	\$43.74	\$41.29	\$36.65	\$20.56	\$21.29
Incorporated Municipality Base System Benefit Charge (\$ per Dwelling Unit)	\$61.31	\$65.21	\$50.92	\$39.69	\$51.86
Non-Residential Charges (average \$ per 2000 square feet)	\$283.39	\$275.95	\$222.88	\$163.81	\$182.24

1. Includes residences in multi-family buildings with six or fewer dwelling units

2. Buildings with seven or more units

Source: Montgomery County, Maryland

Table 8

Solid Waste Disposal Fund
Historical Revenues and Expenses – Budgetary Basis

	2001	2002	2003	2004	2005
Revenues¹					
Tipping Fees	\$15,039,834	\$17,168,088	\$18,954,480	\$23,321,563	\$15,700,174
System Benefit Charges	64,690,899	61,744,879	59,510,287	57,820,672	53,179,002
Miscellaneous	2,940,838	2,373,088	2,351,386	3,946,765	13,178,715
Investment Income	6,087,073	2,693,124	2,192,984	1,178,923	2,221,811
Subtotal Revenues	88,758,644	83,979,180	83,009,137	86,267,923	84,279,701
Interfund Transfers					
Charge to General Fund for County Agency Waste	1,157,550	1,377,550	1,155,580	1,316,550	1,341,100
Distribution of Excess Series 1993 Bond Proceeds	-	-	-	-	-
Transfer from Leaf Vacuuming Fund				624,900	771,850
Indirect Costs Paid to General Fund	(1,092,000)	(1,431,490)	(1,381,407)	(919,540)	(1,104,950)
Subtotal Inter-fund Transfers	65,550	(53,940)	(225,827)	1,021,910	1,008,000
Expenditures¹					
Personnel Costs	(4,439,603)	(4,717,761)	(3,605,105)	(5,876,629)	(6,100,155)
Operating Expenses	(72,843,914)	(74,232,591)	(74,397,886)	(83,152,646)	(88,544,338)
Capital Outlay	(3,231,934)	(2,065,924)	(979,754)	(1,544,055)	(1,025,225)
Subtotal Expenditures	(80,515,451)	(81,016,276)	(78,982,745)	(90,573,330)	(95,669,718)
Other Fixed Assets					
Acquisition	(940,490)	(373,644)	(276,674)	(110,253)	(490,150)
Landfill Costs²	904,000	(189,541)	825,688	938,994	345,000
Net Change	\$8,272,254	\$2,345,779	\$4,349,579	(\$2,454,756)	(\$10,527,167)

1. This table does not include leaf vacuuming collection charges or associated expenses which were included in the Disposal Fund for this period. Beginning in 2004, the County began to account for leaf vacuuming revenues and expenses in a separate fund.

2. Represents the payout of closure costs, less current year accrued closure costs. The amounts for fiscal years 2003 and 2004 were adjusted to reflect their effect on total expenditures. In both years, the actual landfill closure costs exceeded the accrued closure costs; therefore, the amounts should be shown as decreases, and not increases, to total expenditures. These adjustments conform to the County's Comprehensive Annual Financial Reports for both fiscal years.

Source: Montgomery County, Maryland

Table 10

**Solid Waste Disposal Fund
Ending Cash and Investments**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Unrestricted equity in pooled cash and investments	\$40,533,275	\$41,760,959	\$50,190,820	\$47,970,453	\$41,817,460
Restricted equity in pooled cash and investments	38,132,716	38,669,556	31,483,785	31,593,539	28,013,581
Restricted investments	<u>4,325,060</u>	<u>4,325,060</u>	<u>3,153,552</u>	<u>3,123,233</u>	<u>3,215,206</u>
Total ending cash and investments	<u>\$82,991,051</u>	<u>\$84,755,575</u>	<u>\$84,828,157</u>	<u>\$82,687,225</u>	<u>\$73,046,247</u>

Source: Montgomery County, Maryland