



BLACK HAWK COUNTY  
SOLID WASTE MANAGEMENT COMMISSION

February 28, 2025

Ms. Mary Klemesrud  
IDNR Land Quality Bureau  
6200 Park Ave  
Suite 200  
Des Moines, IA 50321

mary.klemesrud@dnr.iowa.gov

Re: Financial Assurance Annual Report  
Black Hawk County Sanitary Landfill  
Permit # 7-SDP-1-75P

Dear Ms. Klemesrud:

Enclosed, please find our Financial Assurance Annual Report and supporting documentation, including excerpts from the FY 2024 Audit Report. A full copy of the audit is available on the State Auditor's website. The Bond rating submitted is from June of 2023, the County's last rating.

The Closure account is projected to increase by \$507,164 to \$6,561,109, and the Post-Closure Account will increase by \$25,501 to \$2,887,512 by June 30, 2025.

The remaining tonnage used for this report is based on a survey of the active landfill area and converted to tons using 1,100 pounds per cubic yard. This method provides an estimate of remaining airspace separate from the actual tons received method, as the compaction rate for W-3 has varied over the past two years.

There was an increase of 1,364,338 tons to this report due to MSW Cell W-3 Phase II being placed into service.

If you have any questions regarding this report, do not hesitate to contact me at [jfoster@wastetrac.org](mailto:jfoster@wastetrac.org) or (319) 234-8115.

Sincerely,

A handwritten signature in blue ink, appearing to read 'JAF', is written over a horizontal line.

John A. Foster  
Administrator

Enclosures: Financial Assurance Report Form  
Certified Closure/Post-Closure Engineer's Cost Estimate  
Local Government Financial Test & CFO Letter  
Excerpts of Financial Audit Report as of June 30, 2021  
Moody's Credit Opinion

Cc: Audit File





# Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

## SECTION 1: FACILITY INFORMATION

*(please print or type)*

<b>Information Requested</b>
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Facility Name: Black Hawk County Landfill Permit Number: 07-SDP-01-75P  
 Permitted Agency/Entity: Black Hawk County Solid Waste Management Commission

## SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$ 10,367,050	02/11/2025
Updated Postclosure Cost Estimate	\$ 3,105,107	02/11/2025
Initial or Updated Corrective Action Cost Estimate	\$ N/A	

\*Attach closure/postclosure cost estimate(s) signed and certified by an Iowa-licensed professional engineer. Cost estimates shall include, at a minimum, each of the cost line items defined in 113.14(3)"c" for closure and 113.14(4)"c" for postclosure. Please provide closure and/or postclosure site area acreage information with the estimates.

Provide a cost estimate for corrective action only if corrective action is required and a corrective action plan has been approved by the Department. Attach the corrective action cost estimate signed and certified by an Iowa-licensed professional engineer. The cost estimate shall account for total costs of the activities described in the approved corrective action plan for the corrective action period.

## SECTION 3: FACILITY WASTE TONNAGE INFORMATION

Information Requested	Tons
Remaining permitted capacity as of the beginning of permit holder's current fiscal year	1,734,658
Amount of waste disposed of at the facility during the prior year	204,008

## SECTION 4: PROOF OF COMPLIANCE

<b>Publicly Owned Municipal Solid Waste Landfills</b>	<i>(ATTACH AUDIT REPORT)</i>
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Owner's Most Recent Annual Audit Report  
 Prepared by: Hogan-Hansen  
 For fiscal year ending: June 30, 2024

<b>Privately Owned Municipal Solid Waste Landfills</b>	<i>(ATTACH AFFIDAVIT)</i>
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Attach owner/operator's affidavit indicating that an annual review has been performed by a certified public accountant to determine whether the privately owned landfill is in compliance with IAC 567 Chapter 113. The affidavit shall state the name of the certified public accountant, the dates and conclusions of the review, and the steps taken to rectify any deficiencies identified by the accountant.

**SECTION 5: FINANCIAL ASSURANCE INSTRUMENT**

Type and Value of Financial Assurance Instrument(s)

(ATTACH INSTRUMENT(S))

Assurance Instrument	Establishment Date	Mechanism Covers	Instrument Value*
Trust Fund 567 IAC 113.14(6)"a"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Surety Bond 567 IAC 113.14(6)"b"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Letter of Credit 567 IAC 113.14(6)"c"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Insurance 567 IAC 113.14(6)"d"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Financial Test 567 IAC 113.14(6)"e"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Financial Test 567 IAC 113.14(6)"f"	May 27, 2008	Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input type="checkbox"/>	\$ 4,167,469
Corporate Guarantee 567 IAC 113.14(6)"g"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't Guarantee 567 IAC 113.14(6)"h"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Dedicated Fund 567 IAC 113.14(6)"i"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$

\*Pursuant to IAC 567 113.14(9), if account(s) are restricted/reserved to pay for closure, postclosure or corrective action costs, then the amount of the financial assurance instrument may be reduced by the sum of the cash balance of the account(s) established to comply with subrule 113.14(8).

**SECTION 6: INITIAL PROOF OF ESTABLISHMENT OF ACCOUNTS**

Check Which Applies:

New Mechanism

Previously Submitted

Pursuant to IAC 567 Chapter 113.14(8)"f", documentation of the establishment of accounts is to be submitted to the department by April 1, 2003 for currently permitted MSWLFs. Permit holders for MSWLFs permitted after April 1, 2003, shall submit documentation of the establishment of accounts prior to the MSWLF's initial receipt of waste.

Please attach documentation indicating accounts/fund have been established for closure and postclosure care and if the account(s) are restricted/reserved for closure or postclosure care. Examples of documentation include bank statements for closure/postclosure accounts, letter signed by the chief financial officer, letter from certified public accountant, etc.

Accounts established pursuant to paragraph 113.14(6)“a” for trust funds or paragraph 113.14(6)“i” for local government dedicated funds also satisfies the requirements of this subrule, and the permit holder shall not be required to establish additional closure and postclosure accounts.

### SECTION 7: CLOSURE AND POSTCLOSURE ACCOUNTS

Completion of the following closure and postclosure account information complies with the annual financial statement requirements of IAC 567 113.14(3)“a” and 113.14(4)“a” by indicating the current balance(s) of the closure/postclosure account(s) or dedicated/trust fund and the projected amount(s) to be deposited in the account(s).

Under “Beginning Balance”, please state the account/fund balance 30 days after the start of the previous fiscal year, for “Ending Balance”, indicate the account balance 30 days after the close of the previous fiscal year, and for “Projected Deposit”, indicate the amount to be deposited within 30 days of the close of the permit holder’s fiscal year.

Information Requested	Beginning Balance	Ending Balance	Projected Deposit
Closure Account Balance <i>(see formula below)</i>	\$ 5,308,610	\$ 6,053,945	\$ 507,164
Postclosure Account Balance <i>(see formula below)</i>	\$ 2,734,100	\$ 2,887,512	\$ 25,501
<b>Or</b>			
Dedicated Fund Balance <i>(see formula below)</i>	\$	\$	\$
Trust Fund Balance <i>(see formula below)</i>	\$	\$	\$

#### Formula for Projected Deposits

Closure or Postclosure Account

$$\frac{CE - CB}{RPC} \times TR$$

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, “RPC” is the remaining permitted capacity in tons, of the landfill from the beginning of the current fiscal year, and “TR” is the total number of tons of solid waste disposed in the prior year.

Dedicated/Trust Fund

$$\frac{CE - CB}{Y}$$

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, and “Y” is number of years remaining in the pay-in period.

If needed, the space below can be used to show calculations for projected deposits

<p><b>Closure</b>            \$10,367,050 - \$6,053,945 = \$4,313,105            \$4,313,105 / 1,734,658 tons = \$2.486/ton            \$2.486 * 204,008 tons = <u>\$507,164 deposit</u></p>	<p><b>Post-closure</b>            \$3,105,107 - \$2,887,512 = \$217,595            \$217,595 / 1,734,658 tons = - \$0.125/ton            \$0.125 * 204,008 tons = <u>\$25,501 desposit</u></p>
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**SECTION 8: PERMIT HOLDER ENDORSEMENT**

Submittal of this completed and endorsed form along with all required documentation establishes Notification and Proof of Permit Holder Compliance with IAC 567 Chapter 113.

Name of Official: John A. Foster Title: Administrator

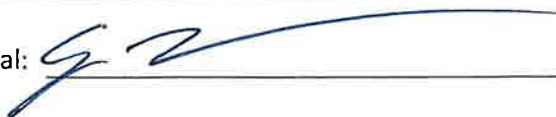
Agency/Entity: Black Hawk County Solid Waste Management Commission

Address: P.O. Box 208, 229 E. Park Ave

City: Waterloo State: IA Zip: 50704

Telephone: 319-234-8115 Fax: N/A

Email Address: jfoster@wastetrac.org

Signature of Official:  Date: February 28, 2025

Questions? Contact Bill Blum at (515) 240-6048 or [Bill.Blum@dnr.iowa.gov](mailto:Bill.Blum@dnr.iowa.gov)

2024

FINANCIAL ASSURANCE

Black Hawk County Sanitary Landfill

7-SDP-1-76P

Tuesday, February 11, 2025

Date Submitted:



Year	Item	2024	2023
2023	Competition Closure		10,124,072
	IDNR Inflation Factor		1,024
			10,367,060
2024	Annual Closure Increase	242,578	
	INCLUDING		
	Design	5%	518,352
	QA/QC	5%	518,352
			1,036,704

POST-CLOSURE COST ESTIMATE

Year	Item	2024	2023
2023	ESTIMATED POST-CLOSURE COSTS DEVELOPMENT AND OPERATIONS PLAN, MAINTENANCE COSTS		28,664
			71,623
	SUBTOTAL		100,287
	Post-Closure Care Duration - Years	30	
	IDNR Inflation Factor		1,024
01/26/23			3,032,331
2024	Post-Closure Care		3,108,107
	Annual Post-Closure Increase		72,776
			3,180,883
2024	TOTAL CLOSURE & POST CLOSURE EST.		13,472,157
2023	TOTAL CLOSURE & POST CLOSURE ESTIMATE		13,164,403.33
	IDNR - INCREASE TOTAL		315,754

RCRA

Year	Item	2024	2023
2023	ESTIMATED POST-CLOSURE COSTS DEVELOPMENT AND OPERATIONS PLAN, MAINTENANCE COSTS		16,914
			42,845
	SUBTOTAL		59,759
	Post-Closure Care Duration - Years	30	
	IDNR Inflation Factor		1,024
01/26/23			1,762,798
2024	Post-Closure Care		1,805,075
	RCRA - Post-Closure Increase		42,306

Year	Item	2023	2024
2023	Estimated Post-Closure Costs Development and Operations Plan-Maintenance Care		10,011,706
			12,586
			10,124,072
2024	Annual Closure Increase	242,578	
	INCLUDING		
	Design	5.0%	500,204
	QA/QC	5.0%	500,204
			1,000,408

CAPACITY AND TONNAGE

Date	Description	Tons
12/31/2024	Permitted Capacity	1,734,658
2024	Waste Filled	204,008

2023 ANNUAL POST-CLOSURE COSTS	
Estimated Post-Closure Costs Development and Operations Plan-Maintenance Care	\$ 10,011,706
	\$ 12,586
	\$ 10,124,072
Estimated Closure Costs:	
IDNR	\$ 20,554
RCRA	\$ 42,306
	\$ 63,860
IDNR Groundwater Monitoring and Reporting Costs	\$ 31,630
	\$ 36,693
	\$ 71,973
Estimated Annual IDNR GW Sampling Costs:	
RCRA Groundwater Monitoring and Reporting Costs	\$ 16,965
	\$ 28,980
	\$ 42,945
IDNR ANNUAL POST-CLOSURE COSTS	\$ 101,078
RCRA ANNUAL POST-CLOSURE COSTS	\$ 42,306
	\$ 143,384

ACTIVE MSW CELLS	
CELL	ACRES
W-1, PH III	1.2
W-1, PH IV	6.4
W-2	18.3
W-3	37.7
TOTAL	60.6

I hereby certify that this engineering document was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the state of Iowa.

CHRISTOPHER G. DELKERS, P.E. Date 02/11/25  
 License No. 22063  
 My license renewal date is 12/31/2023  
 Pages or sheets covered by this seal: All Pages.





# MUNICIPAL SOLID WASTE SANITARY LANDFILL LOCAL GOVERNMENT FINANCIAL TEST & CFO LETTER

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February 20, 2024

Iowa Department of Natural Resources  
Planning, Permitting & Engineering Services  
Wallace State Office Building  
502 East 9<sup>th</sup> Street  
Des Moines, IA 50319

Dear Sir or Madam:

I am the chief financial officer for the Black Hawk County Solid Waste Management Commission, herein referred to as the "Owner". This letter is in support of the Owner's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure care costs, as specified in IAC 567 Chapter 113.14(3) and 113.14(4).

The Owner is the owner and operator of the following municipal solid waste sanitary landfill(s) for which financial assurance for closure and/or post-closure care is demonstrated through the financial test, as specified in IAC 567 Chapter 113.14(6)"f":

Facility Name: Black Hawk County Sanitary Landfill

Address: P.O. Box 208, Waterloo, IA 50704-0208

Permit No: 07-SDP-01-75P

The current closure and/or post-closure care cost estimate, in accordance with IAC 567 Chapter 113.14(3) and 113.14(4), are shown below for each facility covered by the Financial Test:

Closure cost to be assured: \$ 4,167,469

Post-closure cost to be assured: \$ Included above

The Commission meets or exceeds the financial test criteria shown below in Alternative I and agrees to comply with the requirements specified in subrule 113.14(6)"f."

As chief financial officer for the Owner, I hereby certify that the information provided in this letter is accurate to the best of my knowledge and that this letter is being submitted in accordance with IAC 567 Chapter 113.14(6)"f" for the Local Government Financial Test.

Signature: 

Name: Randy Bennett, Chairperson

Date: February 27, 2025

The figures for the following items are derived from the Owner's independently audited, year-end financial statements/audit report for the latest completed fiscal year, ended June 30, 2023.

### Alternative I

1. Sum of the current closure and/or post-closure cost estimates being assured by the Financial Test	\$ 4,167,469	\$ 1,746,705
	<b>From the most recent annual auditor's report</b>	
2. Total Revenues	\$ 10,153,930	\$ 8,907,130
3. Total Expenditures	\$ 6,932,660	\$ 7,045,887
4. Current bond rating of most recent outstanding general obligation bonds	Aa2-Moody's	Aa2-Moody's
<b>Must be able to answer "Yes" or "True" to the following</b>		
	<b>Yes/ True</b>	<b>No/ False</b>
5. Has evidence been provided of the most recent bond rating?	X	
6. Are outstanding general obligation bonds rated at least Aaa, Aa, A, or Baa, as issued by Moody's or AAA, AA, A or BBB, as issued by Standard & Poor's?	X	
7. There are no outstanding general obligation bonds that are currently in default.	X	
8. There are no outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard & Poor's.	X	
9. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting?	X	
10. Is line 3 less than line 2 in each of the past two years?	X	
11. If answered "no" to line 10, line 3 does not exceed line 2 by more than 5 percent in each of the past two years.		
12. Is line 1 less than 43 percent of line 2?	X	.41
13. Have not received an adverse opinion or disclaimer of opinion from the independent certified public accountant or office of the auditor of the state of Iowa.	X	
14. Have closure and post-closure costs being assured been referenced in the owner's most recent audit report or placed in the owner's files if timing did not permit reference in the most recent audit?	X	

**Definitions:**

"Deficit" - means total annual revenues minus total annual expenditures.

"Total revenues" - means revenues from all taxes and fees but does not include the proceeds from borrowing or asset sales, excluding revenue from funds managed by local government on behalf of a specific third party.

"Total expenditures" - means all expenditures excluding capital outlays and debt repayment.

"Cash plus marketable securities" - means all the cash plus marketable securities held by the local government on the last day of a fiscal year, excluding cash and marketable securities designated to satisfy past obligations such as pensions.

"Debt service" - means the amount of principal and interest due on a loan in a given time period, typically the current year.

**BLACK HAWK COUNTY SOLID WASTE  
MANAGEMENT COMMISSION**

**WATERLOO, IOWA**

**JUNE 30, 2024**

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# Statements of Net Position

As of June 30, 2024 and 2023

	2024	2023 (Restated - Note 12)
<b>Assets</b>		
<b>Current Assets</b>		
Cash		
Unrestricted .....	\$ 7,213,320	\$ 5,871,645
Trade accounts receivable (net of allowance for doubtful accounts) .....	494,612	645,412
Prepaid insurance .....	45,654	68,197
<b>Total Current Assets</b> .....	<u>7,753,586</u>	<u>6,585,254</u>
<b>Noncurrent Assets</b>		
<b>Restricted Assets</b>		
Cash restricted for closure and postclosure care .....	9,304,688	8,042,710
Restricted investments held by trustee for EPA postclosure .....	4,413,410	4,238,633
Accrued interest from restricted investments held for EPA postclosure .....	15,925	16,471
<b>Total Restricted Assets</b> .....	<u>13,734,023</u>	<u>12,297,814</u>
<b>Capital Assets, Net of Accumulated Depreciation/     Amortization</b> .....	<u>17,493,300</u>	<u>16,047,619</u>
<b>Total Noncurrent Assets</b> .....	<u>31,227,323</u>	<u>28,345,433</u>
<b>Total Assets</b> .....	<u>\$ 38,980,909</u>	<u>\$ 34,930,687</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Current maturity of bonds payable .....	\$ 1,465,000	\$ 1,660,000
Accounts payable .....	814,354	1,243,565
<b>Total Current Liabilities</b> .....	<u>2,279,354</u>	<u>2,903,565</u>
<b>Noncurrent Liabilities</b>		
Estimated accrued cost of landfill closure and postclosure care	10,140,895	8,936,013
Bonds payable .....	6,285,695	2,930,287
<b>Total Noncurrent Liabilities</b> .....	<u>16,426,590</u>	<u>11,866,300</u>
<b>Total Liabilities</b> .....	<u>18,705,944</u>	<u>14,769,865</u>
<b>Net Position</b>		
Net invested in capital assets .....	9,742,605	11,457,332
Restricted for closure and postclosure care - EPA .....	4,429,335	4,255,104
- Iowa DNR .....	9,304,688	8,042,710
Unrestricted .....	(3,201,663)	(3,594,324)
<b>Total Net Position</b> .....	<u>20,274,965</u>	<u>20,160,822</u>
<b>Total Liabilities, Deferred Inflows of Resources     and Net Position</b> .....	<u>\$ 38,980,909</u>	<u>\$ 34,930,687</u>

*(Engine estimate - Restricted)*

*FA 10/24*

# Statements of Revenue, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
<b>Operating Revenue</b>		
Landfill fees .....	\$ 9,339,880	\$ 8,467,777
Commission's share of ton taxes .....	328,796	265,028
<b>Total Operating Revenue</b> .....	<b>9,668,676</b> <sup>+2</sup>	<b>8,732,805</b>
<b>Operating Expenses</b>		
Landfill operating fees .....	4,239,737	4,337,963
Current amount of total estimated cost of landfill closure and postclosure care.....	1,160,212	1,147,785
Changes in accounting estimates for cost of future closure and postclosure care.....	69,870	93,510
Depreciation and amortization .....	3,104,116 <sup>(-3)</sup>	2,486,183
Contracted staff compensation .....	143,935	139,822
Professional fees .....	481,269	521,804
Insurance .....	10,165	12,299
Office supplies, postage and telephone .....	18,336	16,155
Projects and awards funded by ton taxes .....	701,571	683,925
Other .....	107,565	92,082
<b>Total Operating Expenses</b> .....	<b>10,036,776</b> <sup>3</sup>	<b>9,531,528</b>
<b>Operating Loss</b> .....	<b>(368,100)</b>	<b>(798,723)</b>
<b>Nonoperating Revenue (Expenses)</b>		
Interest income (net of expense 2024 - \$18,082; 2023 - \$17,807).....	726,068	584,169
Interest expense .....	(299,361)	(97,800)
Amortization of bond premium .....	85,685	43,126
Bond issuance costs.....	(78,476)	—
Unrealized loss on investments .....	(3,011) <sup>(-2)</sup>	(191,368)
Other revenue .....	52,812	47,520
Other expenses .....	(1,474)	(19,954)
<b>Net Nonoperating Revenue</b> .....	<b>482,243</b> <sup>2</sup>	<b>365,693</b>
<b>Change in Net Position</b> .....	<b>114,143</b>	<b>(433,030)</b>
Net Position - Beginning of Year .....	20,160,822	20,593,852
<b>Net Position - End of Year</b> .....	<b>\$ 20,274,965</b>	<b>\$ 20,160,822</b>

See accompanying notes to the financial statements.

## Notes to the Financial Statements

### (5) Summary of Debt

As of June 30, 2024, debt service requirements to maturity for the bonds were as follows:

	Principal	Interest	Total
<b>Year Ending June 30,</b>			
2025 .....	\$ 1,465,000	\$ 285,200	\$ 1,750,200
2026 .....	1,520,000	225,300	1,745,300
2027 .....	1,575,000	162,800	1,737,800
2028 .....	1,645,000	97,700	1,742,700
2029 .....	680,000	29,400	709,400
Later years .....	475,000	9,500	484,500
	<u>7,360,000</u>	<u>809,900</u>	<u>8,169,900</u>
Unamortized bond premium .....	390,695	—	390,695
	<u><b>\$ 7,750,695</b></u>	<u><b>\$ 809,990</b></u>	<u><b>\$ 8,560,595</b></u>

### (6) Estimated Closure and Postclosure Care Costs

The landfill site is currently regulated by the EPA for hazardous wastes and by the Iowa Department of Natural Resources (DNR) for nonhazardous wastes disposed of at the site.

DNR regulations require the reclamation of the landfill site by placing a final two-foot minimum earth covering over the project site. A portion of the total estimated cost of closure and postclosure care of the nonhazardous portion of the site is accrued each year based on the landfill space used as a percentage of the total site capacity. During the years ended June 30, 2024 and 2023, \$1,160,212 and \$1,147,785, respectively, was accrued based on such usage. Accrued liability for landfill closure and postclosure care costs under DNR regulations totaled \$8,378,127 and \$7,217,915 as of June 30, 2024 and 2023, respectively.

The current active landfill cell is W-3. Due to the nature of a landfill operation, waste is being deposited into the cell using a 4-to-1 back slope method. Under this method, waste is deposited and spread across the cell in a shape similar to a right angle. However, the closure and postclosure care cost estimates are based upon use of air space measurements.

The Commission and its consulting engineer estimate Cell W-2 to have a capacity of 859,000 tons. As of June 30, 2024, 100% of the total capacity had been used. The Commission completed construction of Cell W-3 Phase 1 during the year ended June 30, 2022 and was constructing Cell W-3 Phase II during the year ended June 30, 2024.

Cell W-3 is estimated to have a total capacity of 2,573,440 tons. Based upon the tonnage placed into this cell as of June 30, 2024, the Commission estimates that approximately 10% of the total capacity has been used and, therefore, estimates the remaining life of this cell to be approximately ten and one-half years.

## Notes to the Financial Statements

### (5) Summary of Debt

	Current Portion		Long-Term Portion	
	2024	2023	2024	2023
<b>Bonds Payable</b>				
Tax-exempt general obligation bond, Series 2019 issued through Black Hawk County, Iowa, principal payments due annually in June, bearing interest at 2%, due semi-annually in June and December, through June 1, 2024.	\$ —	\$ 1,225,000	\$ —	\$ —
Tax-exempt general obligation bond, Series 2020 issued through Black Hawk County, Iowa, principal payments due annually in June, bearing interest at 2%, due semi-annually in June and December, through June 1, 2030.	445,000	435,000	2,485,287	2,930,287
Tax-exempt general obligation bond, Series 2023 issued through Black Hawk County, Iowa, principal payments due annually in June, bearing interest at 5%, due semi-annually in June and December, through June 1, 2029.	<u>1,020,000</u>	<u>—</u>	<u>3,800,408</u>	<u>—</u>
<b>Total Bonds Payable</b>	<b><u>\$ 1,465,000</u></b>	<b><u>\$ 1,660,000</u></b>	<b><u>\$ 6,285,695</u></b>	<b><u>\$ 2,930,287</u></b>

The bonds contain various restrictive covenants with which the Commission was in compliance as of June 30, 2024.

Interest expense for the years ended June 30, 2024 and 2023 was \$299,361 and \$97,800, respectively.



## Notes to the Financial Statements

### (6) Estimated Closure and Postclosure Care Costs

The Commission finished closing the hazardous waste area and received EPA approval of the closure. The EPA, in addition to requiring that a trust fund be established to provide funds for postclosure care (see Note 4), instructed the Commission on what steps the EPA feels will be necessary to monitor the hazardous waste site over the 30-year postclosure period. The 30-year period ended during 2022. The EPA required the Commission to obtain a new permit and continue the postclosure monitoring for another 30 years.

The Commission annually reevaluates its estimates of the remaining landfill capacity and of the future closure and postclosure care costs of certain areas of the landfill which were either in the process of closure or in postclosure as of June 30. The results of changes in those estimates were recognized as increases in operating expenses of \$69,870 and \$93,510 for the years ended June 30, 2024 and 2023, respectively.

A summary of the estimated accrued liability for landfill closure and postclosure care costs as of June 30 is as follows:

	2024	2023
Hazardous area (EPA regulated).....	\$ 1,762,768	\$ 1,718,098
Nonhazardous area (Iowa DNR regulated).....	<u>8,378,127</u>	<u>7,217,915</u>
<b>Total</b> .....	<b><u>\$ 10,140,895</u></b>	<b><u>\$ 8,936,013</u></b>

The above costs are reflected as liabilities in the accompanying statements of net position and are based on an estimate of what it would cost to perform all closure and postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology or changes in laws and regulations. In addition to the above costs, if as a result of monitoring the site, leaks of hazardous waste are discovered, the cost of compliance with regulations could become extremely large. The amount of any such liability is not susceptible to estimation until it has been determined that a leak has occurred and the extent of that leak can be determined. Because no known leaks had occurred through the date of this report and the ultimate effects of any potential future leaks cannot presently be determined, no provision for any resultant liability has been made in the financial statements.

The amounts recorded on the statements of net position for closure and postclosure liabilities differ from the amounts reported in its Annual Closure Postclosure Estimate to the DNR due to a 10% estimated contingency made by the Commission's contract engineer for unknown costs at this point. Generally accepted accounting principles preclude the Commission from recording contingent liabilities unless it is probable that a liability has been incurred.

Chapter 455B.306(8)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The Commission has begun accumulating resources to fund these costs and, as of June 30, 2024 and 2023, assets of \$9,304,688 and \$8,042,710, respectively, were restricted for these purposes. They are reported as restricted cash and restricted net position on the statements of net position.

## Notes to the Financial Statements

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### **(6) Estimated Closure and Postclosure Care Costs**

Also, pursuant to Chapter 567-111.3(3) of the Iowa Administrative Code (IAC), since the estimated closure and postclosure care costs are not fully funded, the Commission is required to demonstrate financial assurance for the unfunded costs. The Commission has adopted the dedicated fund mechanism.

Chapter 567-111.8(7) of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the landfill is not required to establish closure and postclosure care accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

### **(7) Risk Management**

The Commission is a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 803 members include various governmental entities throughout the State of Iowa. The Pool was formed in August, 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability, law enforcement liability and property. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of the basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Commission's property and casualty contributions to the risk pool are recorded as prepaid expense at the time of payment to the risk pool and allocated evenly to expense during the year. During the years ended June 30, 2024 and 2023, the Commission made payments of \$12,822 and \$10,917, respectively, to the risk pool.

# Schedule of Findings

Year Ended June 30, 2024

- 24-II-E **Deposits and Investments** - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Commission's investment policy.
- 24-II-F **Solid Waste Ton Tax Fees Retained** - We noted no disbursements or retention of solid waste ton tax fees which were not in accordance with the provisions of Chapter 455B.310 of the Code of Iowa.
- 24-II-G **Financial Assurance** - The Commission has demonstrated financial assurance for closure and postclosure care costs as provided in Section 567, Chapter 113.14(6)(i), Local Government Dedicated Fund, of the Iowa Administrative Code. Payments into the dedicated fund must be made annually for ten years or over the life of the landfill cell, if shorter. The Commission's active landfill cells each have an expected life of less than ten years. The calculation is as follows:

	Closure	Postclosure
<b>Cell X and Other Closed Cells</b>		
Total estimated costs for closure and postclosure care ....	\$ —	\$ —
Less balance of funds held in the local dedicated fund as of June 30, 2023.....	<u>—</u>	<u>2,626,668</u>
Net Remaining .....	<u>—</u>	<u>—</u>
Divided by the approximate number of months remaining in the pay-in period .....	<u>N/A None</u>	<u>N/A None</u>
Required payment into the local dedicated fund for the year ended June 30, 2024.....	<u>—</u>	<u>—</u>
Balance of funds held in the local dedicated fund as of June 30, 2023.....	<u>—</u>	<u>2,626,668</u>
<b>Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2024 .....</b>	<b><u>\$ —</u></b>	<b><u>\$ 2,626,668</u></b>
<b>Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2024 .....</b>	<b><u>\$ —</u></b>	<b><u>\$ 2,626,668</u></b>
<b>Cell W-1 Phase I Through IV and Cell W-2</b>		
Total estimated costs for closure and postclosure care ....	\$ 6,897,864	Included in amount restricted under Cell X and other closed cells
Less cumulative amount spent for closure.....	<u>2,991,988</u>	
Remaining Balance .....	<u>3,905,876</u>	
Percentage of pay-in period as of June 30, 2024 .....	<u>100%</u>	
<b>Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2024 .....</b>	<b><u>\$ 3,905,876</u></b>	
<b>Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2024.....</b>	<b><u>\$ 3,905,876</u></b>	

# Schedule of Findings

Year Ended June 30, 2024

	Closure	Postclosure
<b>Cell W-3</b>		
Total estimated costs for closure and postclosure care ....	\$ 3,759,616	\$ 405,664
Percentage of pay-in period as of June 30, 2024 .....	<u>65.30%</u>	<u>65.30%</u>
<b>Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2024 .....</b>	<b><u>\$ 2,455,029</u></b>	<b><u>\$ 264,899</u></b>
<b>Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2024.....</b>	<b><u>\$ 2,455,029</u></b>	<b><u>\$ 264,899</u></b>
<b>Asbestos Cell #2</b>		
Total estimated costs for closure and postclosure care ....	\$ 137,773	Included in amount restricted under Cell X and other closed cells
Percentage of pay-in period as of June 30, 2024 .....	<u>37.90%</u>	
<b>Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2024 .....</b>	<b><u>\$ 52,216</u></b>	
<b>Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2024.....</b>	<b><u>\$ 52,216</u></b>	

## CREDIT OPINION

29 June 2023



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# Black Hawk County, IA

## Update to credit analysis

### Summary

[Black Hawk County, IA's](#) (Aa2) economy benefits from the presence of [Waterloo](#) (Aa2) and [Cedar Falls](#) (Aaa stable), which serve as regional economic centers in eastern Iowa. Still, resident income and economic growth trail national rates. The county's financial profile is strong supported by healthy reserves and ample revenue raising flexibility. Long-term leverage and related fixed costs are expected to remain low.

### Credit strengths

- » Strong financial position
- » Low long-term leverage

### Credit challenges

- » Below average resident income
- » Economic growth rate trails the nation

### Rating outlook

Outlooks are typically not assigned to local governments with this amount of debt.

### Factors that could lead to an upgrade

- » Expansion of the local economy
- » Bolstering of resident wealth and income

### Factors that could lead to a downgrade

- » Weakening of cash and fund balance
- » Material increase in long-term leverage and fixed costs

## Key indicators

Exhibit 1

### Black Hawk (County of) IA

	2019	2020	2021	2022	Aa Medians
<b>Economy</b>					
Resident income ratio (%)	91.8%	93.0%	93.2%	N/A	97.5%
Full Value (\$000)	\$9,735,370	\$9,866,125	\$10,460,827	\$10,715,571	\$8,453,079
Population	132,393	131,813	131,396	N/A	90,155
Full value per capita (\$)	\$73,534	\$74,849	\$79,613	N/A	\$96,018
Economic growth metric (%)	N/A	-3.1%	-0.4%	N/A	-0.6%
<b>Financial Performance</b>					
Revenue (\$000)	\$69,991	\$63,396	\$65,767	\$65,846	\$93,942
Available fund balance (\$000)	\$25,011	\$28,808	\$35,282	\$39,450	\$38,248
Net unrestricted cash (\$000)	\$40,278	\$43,041	\$52,165	\$69,528	\$53,548
Available fund balance ratio (%)	35.7%	45.4%	53.6%	59.9%	38.5%
Liquidity ratio (%)	57.5%	67.9%	79.3%	105.6%	63.0%
<b>Leverage</b>					
Debt (\$000)	\$17,170	\$19,484	\$22,963	\$17,127	\$48,047
Adjusted net pension liabilities (\$000)	\$78,914	\$80,182	\$90,407	\$69,517	\$94,206
Adjusted net OPEB liabilities (\$000)	\$3,094	\$2,139	\$2,165	\$1,981	\$8,826
Other long-term liabilities (\$000)	\$2,470	\$3,376	\$3,051	\$3,203	\$4,037
Long-term liabilities ratio (%)	145.2%	165.9%	180.3%	139.5%	187.9%
<b>Fixed costs</b>					
Implied debt service (\$000)	\$1,781	\$1,252	\$1,395	\$1,611	\$3,335
Pension tread water contribution (\$000)	\$2,868	\$2,331	\$2,232	N/A	\$2,355
OPEB contributions (\$000)	\$322	\$128	\$169	\$144	\$197
Implied cost of other long-term liabilities (\$000)	\$173	\$180	\$242	\$214	\$264
Fixed-costs ratio (%)	7.4%	6.1%	6.1%	6.4%	7.3%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#). The Economic Growth metric cited above compares the five-year CAGR of real GDP for Waterloo-Cedar Falls, IA Metropolitan Statistical Area to the five-year CAGR of real GDP for the US. Sources: US Census Bureau, Black Hawk (County of) IA's financial statements and Moody's Investors Service, US Bureau of Economic Analysis

## Profile

Black Hawk County is located in northeastern [Iowa](#) (Aaa stable) and includes the cities of Waterloo and Cedar Falls. The county spans 576 square miles and has a population of approximately 132,000 residents.

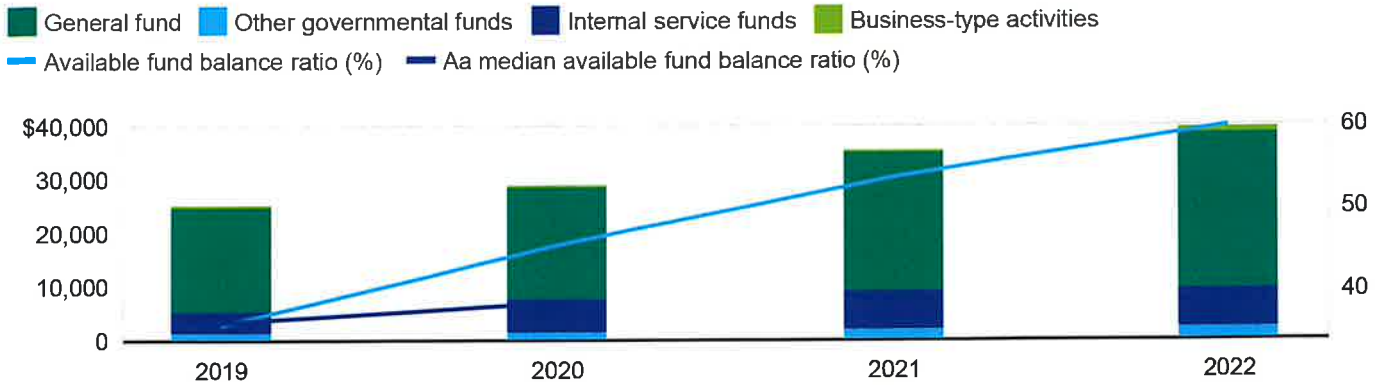
## Detailed credit considerations

The county's local economy will likely remain stable over the near-term supported by economic activity within the county's two largest population centers, Waterloo and Cedar Falls, though resident income and wealth remain below similarly rated peers, partially because of the presence of Northern Iowa University (A1 stable) and Hawkeye Community College (Aa1).

The county's financial position will remain robust despite some plans to spend down portions of fund balance in future years. The county expects fiscal 2023 to close with a sizeable surplus of approximately \$8 million. The county has budgeted for the use of about \$3 million in reserves for capital improvements in fiscal 2024 but fund balance is expected to remain robust. Long-term leverage is currently low and expected to remain minimal given lack of additional borrowing plans and moderate post employment benefit liabilities.

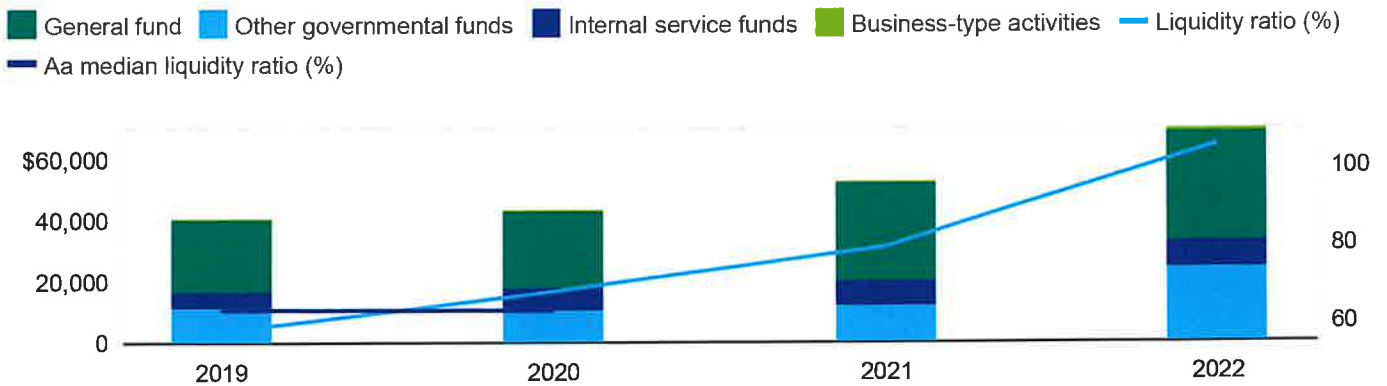
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Exhibit 2  
Fund Balance



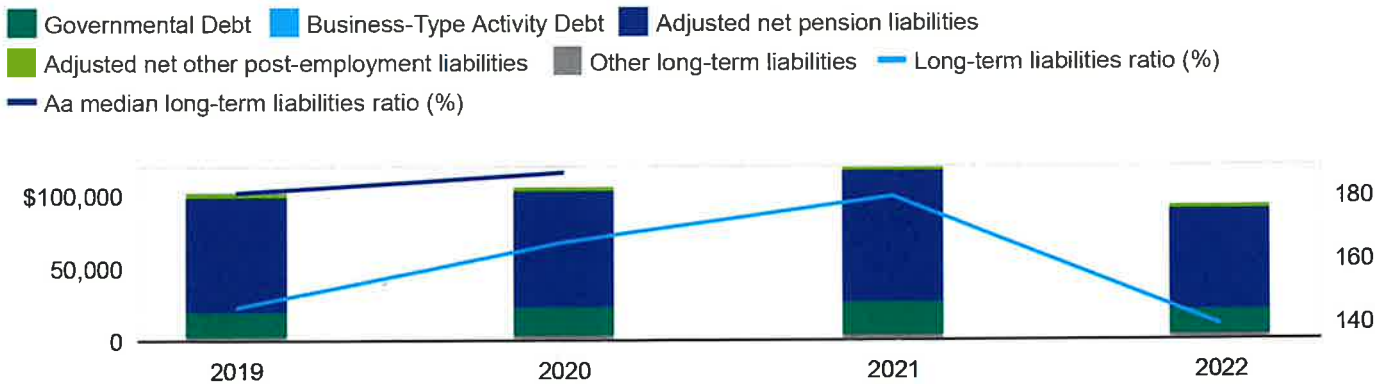
Source: Moody's Investors Service

Exhibit 3  
Cash



Source: Moody's Investors Service

Exhibit 4  
Total Primary Government - Long Term Liabilities



Source: Moody's Investors Service

### Legal security

Debt service on the bonds is ultimately backed by the county's GOULT pledge, including a dedicated property tax levy, unlimited as to rate or amount to cover debt service. The bonds are expected to be repaid with solid waste revenue.

## ESG considerations

### Black Hawk (County of) IA's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 5

#### ESG Credit Impact Score

# CIS-2

## Neutral-to-Low



For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.

Source: Moody's Investors Service

Black Hawk County, IA's Credit Impact Score is (**CIS-2**), reflecting neutral to low exposure to social and governance risks and moderate exposure to environmental risks, including flooding.

Exhibit 6

#### ESG Issuer Profile Scores

### ENVIRONMENTAL

## E-3

### Moderately Negative



### SOCIAL

## S-2

### Neutral-to-Low



### GOVERNANCE

## G-2

### Neutral-to-Low



Source: Moody's Investors Service

### Environmental

Black Hawk County, IA's Environmental Issuer Profile Score is (**E-3**), reflecting moderate exposure to environmental risks overall. The county is exposed to flooding given that a number of the county's largest communities are located on the Cedar River, which has overrun its banks in prior years and caused notable damage.

### Social

Black Hawk County, IA's Social Issuer Profile Score is (**S-2**), reflecting neutral to low exposure to social attributes overall, including flat demographic and labor trends and adequate educational attainment.

### Governance

Black Hawk County, IA's Governance Issuer Profile Score is (**G-2**) reflecting neutral to low exposure to governance risks overall. The primary revenue source of most Iowa counties is property taxes which are mostly stable. Iowa county's benefit from a strong institutional structure and maintain substantial revenue raising flexibility under various property tax levies which can be increased with board approval. The county has strong policy credibility and effectiveness highlighted by its fund balance policy that calls for the maintenance of at least 35% of expenditures on an annual basis.



ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The US Cities and Counties Rating Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 7

### Black Hawk (County of) IA

	Measure	Weight	Score
<b>Economy</b>			
Resident income ratio	93.2%	10.0%	A
Full value per capita	81,552	10.0%	A
Economic growth metric	-0.4%	10.0%	Aa
<b>Financial Performance</b>			
Available fund balance ratio	59.9%	20.0%	Aaa
Liquidity ratio	105.6%	10.0%	Aaa
<b>Institutional Framework</b>			
Institutional Framework	Aa	10.0%	Aa
<b>Leverage</b>			
Long-term liabilities ratio	139.5%	20.0%	Aa
Fixed-costs ratio	6.4%	10.0%	Aaa
<b>Notching factors</b>			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
<b>Assigned Rating</b>			<b>Aa2</b>

Sources: US Census Bureau, Black Hawk (County of) IA's financial statements and Moody's Investors Service

## Appendix

Exhibit 8

### Key Indicators Glossary

	Definition	Typical Source*
<b>Economy</b>		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
<b>Financial performance</b>		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
<b>Leverage</b>		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
<b>Fixed costs</b>		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Investors Service
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US City and Counties Methodology](#).

Source: Moody's Investors Service

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