

## DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111  
Elma, New York 14059  
Telephone: 716.565.2299  
Fax: 716.389.5178



### INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable County Executive  
Honorable Members of County Legislature  
County Director of Finance  
County of Chautauqua, New York

We have performed the procedures enumerated in Appendix A on compliance with certain portions of the Environmental Protection Agency's Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities (40 CFR Part 258.74 of the Federal Register) for the year ended December 31, 2024. The County of Chautauqua, New York (the "County") is responsible for complying with these financial assurance mechanisms.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the County's compliance with certain portions of the Environmental Protection Agency's Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities (40 CFR Part 258.74 of the Federal Register) for the year ended December 31, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are enumerated in Appendix A.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the County's compliance with certain portions of 40 CFR Part 258.74 of the Federal Register for the year ended December 31, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the County and the New York State Department of Environmental Conservation (the "specified parties"), and is not intended to be and should not be used by anyone other than those specified parties.

*Drescher & Malecki LLP*

December 3, 2025

**County of Chautauqua, New York (the “County”)**  
**Agreed-Upon Procedures**

1. We obtained the County’s audited financial statements dated September 22, 2025 as of and for the year ended December 31, 2024 and observed that it has been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and observed that the County did not receive an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent auditor.
2. We obtained correspondence from Standard & Poor’s, which presented the County’s bond rating of A+. We observed the outstanding bond documents on the Municipal Securities Rulemaking Board (MSRB), which presented that the County did not have any outstanding general obligation bonds with a Standard & Poor’s rating lower than BBB.
3. We performed the following:
  - a. We obtained the amounts that comprise the County’s governmental and business-type activities’ cash and marketable securities at December 31, 2024 from the audited basic financial statements of the County for the year ended December 31, 2024. We recalculated the liquidity ratio and compared to the minimum requirement of 0.05 under 40 Code of Federal Regulations Part 258.74(f). See Appendix B for calculation.
  - b. We obtained the amounts that comprise the County’s governmental and business-type activities’ debt service from the related amounts included within the audited basic financial statements of the County for the year ended December 31, 2024. We recalculated the debt service to expenditures ratio (net of capital outlay and debt service expenditures) and compared to the maximum allowed of 0.20 as required by 40 Code of Federal Regulations Part 258.74(f). See Appendix B for calculation.
  - c. We recalculated the excess of revenues over expenditures for the years ended December 31, 2024 and 2023 by deducting the total governmental funds’ expenditures from total governmental funds’ revenues, deducting total business-type funds operating expenses from total business-type fund operating revenues, and by deducting total internal service fund expenses from total internal service fund revenues. We compared the amounts which comprise the aforementioned expenditures and revenues to the related amounts in the audited basic financial statements of the County for the years ended December 31, 2024 and 2023, respectively. See Appendix B for calculations.
  - d. We recalculated the total financial test coverage amount for the year ended December 31, 2024 by multiplying the total revenue by 43 percent. We compared the amounts, which comprise total revenues, to the related amounts in the audited basic financial statements of the County for the year ended December 31, 2024. We recalculated the financial assurance requirements for the year ended December 31, 2024 by adding the amounts for each respective estimated cost as disclosed in the notes to the basic financial statements. We observed that such amounts agree to the amounts presented in the basic financial statements, and that the related computations are arithmetically correct. See Appendix B for calculations.

**County of Chautauqua, New York**  
**Calculations—Agreed-Upon Procedures**

**3a. Liquidity ratio**

Cash and marketable securities:	
Governmental activities	\$ 63,350,531
Business-type activities	<u>37,335,768</u>
Total cash and marketable securities	<u>\$ 100,686,299</u>
Expenditures as per procedure 3c (Appendix A)	
less capital outlay and governmental funds	
debt service expenditures	<u>\$ 346,524,397</u>
Liquidity ratio	<u>0.29</u>
Minimum requirement	0.05

**3b. Debt service to expenditures ratio**

Debt service (governmental activities)	\$ 7,260,983
Debt service (business-type activities)	<u>8,730,817</u>
Total debt service	<u>\$ 15,991,800</u>
Expenditures as per procedure 3c (Appendix A)	
less capital outlay and governmental funds	
debt service expenditures	<u>\$ 346,524,397</u>
Debt service to expenditures ratio	<u>0.046</u>
Maximum allowed	0.20

(continued)

**County of Chautauqua, New York**  
**Calculations—Agreed-Upon Procedures**

(concluded)

**3c. Computation of excess revenues over expenditures**

	Years ended December 31,	
	2024	2023
Total revenues:		
Governmental funds	\$ 307,331,872	\$ 311,443,504
Business-type funds	17,214,345	15,723,431
Internal service funds	25,327,180	23,204,934
Total revenues	<u>349,873,397</u>	<u>350,371,869</u>
Total expenses/expenditures:		
Governmental funds	315,384,494	308,674,799
Business-type funds	19,389,257	15,792,514
Internal service funds	27,715,762	24,187,983
Total expenses/expenditures	<u>362,489,513</u>	<u>348,655,296</u>
Excess (deficiency) of revenues over expenses/expenditures before other adjustments	<u>(12,616,116)</u>	<u>1,716,573</u>
Other adjustments:		
Add:		
Capital outlays (governmental funds)	8,704,133	17,951,799
Debt service (governmental funds)	7,260,983	7,772,132
Debt service (business-type funds)	8,730,817	3,708,841
Total other adjustments	<u>24,695,933</u>	<u>29,432,772</u>
Excess of revenues and other adjustments over expenses/expenditures	<u>\$ 12,079,817</u>	<u>\$ 31,149,345</u>
Amount per financial statements	<u>\$ (536,299)</u>	<u>\$ 32,865,918</u>

**3d. Computation of 43% test**

Computation of financial assurance requirement:	
Estimated cost of closure	\$ 8,788,690
Estimated cost of post-closure	16,786,818
Estimated cost of corrective actions	-
Other environmental obligations	-
Total financial assurance requirement	<u>\$ 25,575,508</u>
Computation of financial test coverage (43%)	
Total revenues as per procedure 3c	<u>\$ 349,873,397</u>
Total financial test coverage (total revenues x 43%)	<u>\$ 150,445,561</u>

## Appendix C

The following terms used in the accompanying Local Government Financial Test Worksheet (Appendix B) are defined in the Federal Register (40 CFR Part 258.74(f)) as follows:

- (A) *Deficit* equals total annual revenues minus total annual expenditures.
- (B) *Total revenues* include 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.
- (C) *Total expenditures* include all expenditures excluding capital outlays and debt repayments.
- (D) *Cash plus marketable securities* is 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.
- (E) *Debt service* is the amount of principal and interest due on a loan in a given time period, typically the current year.