

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**

AGREED-UPON PROCEDURES

Year Ended December 31, 2014



Certified Public Accountants and Business Consultants

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT
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YEAR ENDED DECEMBER 31, 2014**

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Chairman
Board of Supervisors
Tredyffrin Township
King of Prussia, Pennsylvania

To the Chairman
Board of Supervisors
Upper Merion Township
King of Prussia, Pennsylvania

To the Chairman
Tredyffrin Township Municipal Authority
Tredyffrin Township
King of Prussia, Pennsylvania

To the Chairman
Upper Merion Municipal Utility Authority
Upper Merion Township
King of Prussia, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the audit committees and managements of Upper Merion Township, Tredyffrin Township, the Tredyffrin Township Municipal Authority and the Upper Merion Municipal Utility Authority (the specified parties), solely to assist you with respect to the computation of net costs chargeable to Tredyffrin Township for the year ended December 31, 2014, per the agreement between Upper Merion and Tredyffrin Townships (dated September 1, 1989). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures were as follows:

1. We computed the net costs of sewage treatment and disposal chargeable to Tredyffrin Township for the year ended December 31, 2014, as defined in the signed agreement.
2. We computed the percentage of sewage emanating from Tredyffrin Township from the flow breakdown report prepared by Upper Merion Township for the year ended December 31, 2014, as defined in the agreement.

Our findings are presented in the accompanying schedules. Schedule A is a computation of net costs of sewage treatment and disposal chargeable to Tredyffrin Township. Schedule B lists the sewage emanating from Tredyffrin Township.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the accounts or items referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.



Oaks, Pennsylvania
June 8, 2015

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**

COMPUTATION OF NET COSTS OF SEWAGE TREATMENT AND
DISPOSAL CHARGEABLE TO TREDYFFRIN TOWNSHIP
(PER AGREEMENT DATED SEPTEMBER 1, 1989)
YEAR ENDED DECEMBER 31, 2014

SCHEDULE A

SECTION 7.1	
Operating	
Direct expenses	\$ 1,346,738
20% of salaries and wages (\$389,126)	77,825
Accounting fees	<u>2,250</u>
NET COSTS OF SEWAGE TREATMENT AND DISPOSAL	\$ <u>1,426,813</u>
50.03% of net costs of sewage treatment and disposal	\$ 713,834
Capital repairs, Trout Run	20,809
SECTION 7.3	
Annual depreciation charge (Matsunk)	87,696
SECTION 7.6	
Annual existing capital charges	<u>-</u>
AMOUNT DUE FROM TREDYFFRIN TOWNSHIP	822,339
AMOUNT RECEIVED DURING 2014 FROM TREDYFFRIN TOWNSHIP ON ESTIMATED SEWAGE USAGE	<u>(782,544)</u>
CHANGE IN TREDYFFRIN BALANCE	39,795
AMOUNT DUE FROM TREDYFFRIN TOWNSHIP AT BEGINNING OF YEAR	34,761
AMOUNT PAID ON BALANCE AT BEGINNING OF YEAR	<u>(34,761)</u>
AMOUNT DUE FROM TREDYFFRIN TOWNSHIP AT END OF YEAR	\$ <u>39,795</u>

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**
 SCHEDULE OF SEWAGE EMANATING
 FROM TREDYFFRIN TOWNSHIP
 YEAR ENDED DECEMBER 31, 2014

SCHEDULE B

AVERAGE DAILY USAGE (gallons)

Richards Road	1,309,317
Box Hill meter	14,612
Panhandle area	58,600
Guthrie Road meter	(41,809)
Colonial Village	<u>(7,000)</u>

AVERAGE DAILY USAGE, net 1,333,720

RATIO OF USAGE TO TROUT RUN AVERAGE DAILY FLOW

$$\frac{\text{Usage}}{\text{Trout Run Average Daily Flow}} = \frac{1,333,720}{2,665,842} = 50.03\%$$