

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**

AGREED-UPON PROCEDURES

Year Ended December 31, 2019



Certified Public Accountants and Business Consultants

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT
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YEAR ENDED DECEMBER 31, 2019**

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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 Sanitary and
Stormwater 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 Sanitary and Stormwater Authority (the specified parties), on the computation of net costs chargeable to Tredyffrin Township for the year ended December 31, 2019, per the agreement between Upper Merion and Tredyffrin Townships (dated September 1, 1989). Upper Merion Township's management is responsible for the computation of net costs chargeable to Tredyffrin Township for the year ended December 31, 2019, per the agreement between Upper Merion and Tredyffrin Townships (dated September 1, 1989). 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 enumerated 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, 2019, 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, 2019, 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.

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounts or items referred to above. 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.

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
July 7, 2020

**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, 2019

SCHEDULE A

SECTION 7.1

Operating	
Direct expenses	\$ 1,401,305
20% of salaries and wages (\$473,557)	94,712
Accounting fees	<u>2,250</u>

NET COSTS OF SEWAGE TREATMENT AND DISPOSAL \$ 1,498,267

60.19% of net costs of sewage treatment and disposal \$ 901,733

Capital repairs, Trout Run 19,595

Operation and maintenance, Abrams Pumping Station 12,110

SECTION 7.3

Annual depreciation charge (Matsunk) 306,939

SECTION 7.6

Annual existing capital charges -

AMOUNT DUE FROM TREDYFFRIN TOWNSHIP 1,240,376

AMOUNT RECEIVED DURING 2019 FROM TREDYFFRIN TOWNSHIP ON
ESTIMATED SEWAGE USAGE (729,980)

CHANGE IN TREDYFFRIN BALANCE 510,396

AMOUNT DUE FROM TREDYFFRIN TOWNSHIP AT BEGINNING OF YEAR 388,783

AMOUNT PAID ON BALANCE AT BEGINNING OF YEAR (388,783)

AMOUNT DUE FROM TREDYFFRIN TOWNSHIP AT END
OF YEAR \$ 510,396

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**
SCHEDULE OF SEWAGE EMANATING
FROM TREDYFFRIN TOWNSHIP
YEAR ENDED DECEMBER 31, 2019

SCHEDULE B

AVERAGE DAILY USAGE (gallons)	
Richards Road	1,848,477
Box Hill meter	13,202
Panhandle area	58,600
Guthrie Road meter	(40,023)
Colonial Village	<u>(7,000)</u>
AVERAGE DAILY USAGE, net	<u><u>1,873,256</u></u>

RATIO OF USAGE TO TROUT RUN AVERAGE DAILY FLOW

$$\frac{\text{Usage}}{\text{Trout Run Average Daily Flow}} = \frac{1,873,256}{3,112,492} = 60.19\%$$