

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**

AGREED-UPON PROCEDURES

Year Ended December 31, 2020

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**
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YEAR ENDED DECEMBER 31, 2020

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Independent Accountants' Report

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

We have performed the procedures enumerated below on the computation of net costs chargeable to Tredyffrin Township for the year ended December 31, 2020, 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, 2020, per the agreement between Upper Merion and Tredyffrin Townships (dated September 1, 1989).

The audit committee and management of Upper Merion Township have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reporting our findings regarding the results of procedures performed as compared to the agreement between Upper Merion and Tredyffrin Townships (dated September 1, 1989). 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.

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, 2020, 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, 2020, 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 engaged by Upper Merion Township 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter 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.

We are required to be independent of Upper Merion Township and to meet our 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 Upper Merion Township, Tredyffrin Township, the Tredyffrin Township Municipal Authority and the Upper Merion Sanitary and Stormwater Authority and is not intended to be and should not be used by anyone other than these specified parties.

Maillie LLP

Limerick, Pennsylvania
June 17, 2021

**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, 2020

SCHEDULE A

SECTION 7.1	
Operating	
Direct expenses	\$ 1,448,853
20% of salaries and wages (\$533,978)	106,796
Accounting fees	<u>2,250</u>
NET COSTS OF SEWAGE TREATMENT AND DISPOSAL	<u>\$ 1,557,899</u>
56.99% of net costs of sewage treatment and disposal	\$ 887,811
Capital repairs, Trout Run	22,271
SECTION 7.3	
Annual depreciation charge (Matsunk)	5,185
SECTION 7.6	
Annual existing capital charges	<u>-</u>
AMOUNT DUE FROM TREDYFFRIN TOWNSHIP	915,267
AMOUNT RECEIVED DURING 2020 FROM TREDYFFRIN TOWNSHIP ON ESTIMATED SEWAGE USAGE	<u>(833,764)</u>
CHANGE IN TREDYFFRIN BALANCE	81,503
AMOUNT DUE FROM TREDYFFRIN TOWNSHIP AT BEGINNING OF YEAR	510,396
AMOUNT PAID ON BALANCE AT BEGINNING OF YEAR	<u>(510,396)</u>
AMOUNT DUE FROM TREDYFFRIN TOWNSHIP AT END OF YEAR	<u>\$ 81,503</u>

**UPPER MERION TOWNSHIP
TREDYFFRIN AGREEMENT**

SCHEDULE OF SEWAGE EMANATING
FROM TREDYFFRIN TOWNSHIP
YEAR ENDED DECEMBER 31, 2020

SCHEDULE B

AVERAGE DAILY USAGE (gallons)	
Richards Road	1,509,823
Box Hill meter	15,638
Panhandle area	58,600
Guthrie Road meter	(27,960)
Colonial Village	<u>(7,000)</u>
AVERAGE DAILY USAGE, net	<u><u>1,549,101</u></u>

RATIO OF USAGE TO TROUT RUN AVERAGE DAILY FLOW

$$\frac{\text{Usage}}{\text{Trout Run Average Daily Flow}} = \frac{1,549,101}{2,718,309} = 56.99\%$$