

**BOROUGH OF MYERSTOWN
SEWER REVENUE ACCOUNT**

**TREATMENT REPORT, CALCULATION OF
SHARED EXPENDITURES, AND CALCULATION OF
AMOUNTS DUE TO/FROM MYERSTOWN**

DECEMBER 31, 2010

**BOROUGH OF MYERSTOWN SEWER REVENUE ACCOUNT
TREATMENT REPORT, CALCULATION OF SHARED EXPENDITURES, AND
CALCULATION OF AMOUNTS DUE TO/FROM MYERSTOWN
December 31, 2010**

TABLE OF CONTENTS

	PAGE NO.
INDEPENDENT ACCOUNTANT'S REPORT	1
FINANCIAL STATEMENTS	
Treatment Report For the Year Ended December 31, 2010	2
Calculation of Shared Expenditures For the Year Ended December 31, 2010	3
Calculation of Amounts Due To/From Myerstown For the Year Ended December 31, 2010	4
Notes to Financial Statements	5



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INDEPENDENT ACCOUNTANT'S REPORT

Members of Borough Council
BOROUGH OF MYERSTOWN
Myerstown, Pennsylvania

We have examined the accompanying Borough of Myerstown's Sewer Revenue Account Treatment Report, Calculation of Shared Expenditures, and Calculation of Amounts Due To/From Myerstown as of and for the year ended December 31, 2010. The Borough of Myerstown's management is responsible for the Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown and Sewer Revenue Account Treatment Report. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown and the Sewer Revenue Account Treatment Report, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying calculations were prepared to present the shared expenditures and amounts payable by Myerstown pursuant to the inter-municipal agreements described in Note 1.

In our opinion, the accompanying Treatment Report, Calculation of Shared Expenditures, and Calculation of Amounts Due To/From Myerstown referred to above presents, in all material respects, the shared expenditures and amounts due from Myerstown as of December 31, 2010, and for the year then ended in conformity with the inter-municipal agreements described in Note 1.

The report is intended solely for the information and use of the parties to the inter-municipal agreements detailed in Note 1 and should not be used for any other purpose.

Stanilla, Siegel and Maser PC

April 1, 2011

**BOROUGH OF MYERSTOWN SEWER REVENUE ACCOUNT
TREATMENT REPORT
For the Year Ended December 31, 2010**

	<u>Total</u>	<u>Myerstown</u>	<u>Jackson</u>	<u>Richland Millcreek</u>
Sewage Treated				
Gallons used (thousands)	391,882	204,601	103,587	83,694
Gallons per day (365 days)	1,073.65	560.55	283.80	229.30
Percent usage	100.00%	52.21%	26.43%	21.36%

**BOROUGH OF MYERSTOWN SEWER REVENUE ACCOUNT
CALCULATION OF SHARED EXPENDITURES
For the Year Ended December 31, 2010**

Total shared expenditures per financial statements	\$ 814,612
Less: Industrial sewage collections	(4)
Pension reimbursement	(25,000)
Workmans compensation dividend	(1,192)
Add: Prepaid insurance adjustment	3,189
Accrued wages and vacation adjustment	1,238
Capitalized shared purchases	<u>6,740</u>
Net total shared expenditures	<u><u>\$ 799,583</u></u>

Gallons treated (thousands)	391,882
Cost per thousand gallons treated	2.04037

Myerstown's share	
(Thousand gallons)	204,601
(Dollars)	\$ 417,461

Jackson's share	
(Thosand gallons)	103,587
(Dollars)	\$ 211,355

Richland-Millcreek's share	
(Thousand gallons)	83,694
(Dollars)	\$ 170,766

**BOROUGH OF MYERSTOWN SEWER REVENUE ACCOUNT
CALCULATION OF AMOUNTS DUE TO/FROM MYERSTOWN
For the Year Ended December 31, 2010**

	Jackson	Richland- Millcreek
Net shared expenditures	\$ 211,355	\$ 170,766
Operating expenditures to be paid by Richland-Millcreek alone		334
Other costs		
Jackson transmission (\$.02 per thousand gallons)	2,072	
Total Due Myerstown	\$ 213,427	\$ 171,100
Less: Payments to Myerstown for 2010 operating expenses	280,410	166,966
Balance due to (from) Myerstown	\$ (66,983)	\$ 4,134

See Accompanying Notes to Financial Statements

**BOROUGH OF MYERSTOWN SEWER REVENUE ACCOUNT
TREATMENT REPORT, CALCULATION OF SHARED EXPENDITURES, AND CALCULATION
OF AMOUNTS DUE TO/FROM MYERSTOWN
December 31, 2010**

NOTE 1 - INTER-MUNICIPAL AGREEMENTS

The Borough of Myerstown maintains its Sewer Revenue Account in accordance with the terms of two inter-municipal agreements. These agreements which govern the treatment report, calculation of shared expenditures and calculation of amounts due Myerstown are with the Township of Millcreek, the Borough of Richland, and the Richland Millcreek Joint Sewer Authority, and with Jackson Township and the Jackson Township Authority. The purpose of these agreements is to have the municipalities share the costs of the wastewater treatment facility and to specify the cost sharing of operations and future expansion.