

**CITY OF YORK, PENNSYLVANIA
INTERMUNICIPAL SEWER FUND**

SCHEDULE OF REVISED TREATMENT COSTS

Year Ended December 31, 2005

TABLE OF CONTENTS

	<u>Page No.</u>
ACCOUNTANTS' REPORT.....	1
FINANCIAL STATEMENT	
Schedule of Revised Treatment Costs.....	2
Notes to Schedule of Revised Treatment Costs.....	3



MAILLIE, FALCONIERO & COMPANY, LLP
Certified Public Accountants and Business Counselors

PO Box 680
Oaks, PA 19456-0680
610-935-1420

FAX NO.: 610-935-1632
www.maillie.com

The Honorable John Brenner, Mayor
Members of City Council
City of York, Pennsylvania
Intermunicipal Sewer Fund
York, Pennsylvania

We have compiled the special-purpose schedule of revised treatment costs of the City of York, Pennsylvania, Intermunicipal Sewer Fund as of December 31, 2005, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying special-purpose schedule of revised treatment costs and, accordingly, do not express an opinion or any other form of assurance on it.

The accompanying special-purpose schedule of revised treatment costs was prepared in accordance with the requirements of the City of York, Pennsylvania, and is not intended to be a presentation in conformity with generally accepted accounting principles.

This report is intended solely for the information and use of the Mayor and City Council of the City of York, Pennsylvania, and should not be used for any other purpose.

Maillie, Falconiero & Company, LLP

September 28, 2006

CITY OF YORK, PENNSYLVANIA
INTERMUNICIPAL SEWER FUND
 SCHEDULE OF REVISED TREATMENT COSTS
 Year Ended December 31, 2005

	<u>Spring Garden Township</u>	<u>West York Borough</u>	<u>North York Borough</u>	<u>West Manchester Township</u>	<u>Manchester Township</u>	<u>York Township</u>	<u>City of York</u>	<u>Totals</u>
ACCOUNTS RECEIVABLE FROM (PAYABLE TO) MUNICIPALITIES AT DECEMBER 31, 2004	\$ (43,093)	\$ (266,341)	\$ (9,529)	\$ (223,521)	\$ 6,961	\$ (121,801)	\$ 222,960	\$ (434,364)
ACTUAL CHARGES	608,091	488,203	85,146	619,847	457,572	531,721	1,708,792	4,499,372
ESTIMATED TREATMENT BILLINGS, NET OF DISCOUNTS TAKEN	<u>(560,098)</u>	<u>(463,556)</u>	<u>(72,794)</u>	<u>(456,210)</u>	<u>(363,796)</u>	<u>(555,446)</u>	<u>(2,200,794)</u>	<u>(4,672,694)</u>
NET RECEIVABLE (PAYABLE), BILLINGS AND CHARGES	4,900	(241,694)	2,823	(59,884)	100,737	(145,526)	(269,042)	(607,686)
OPERATING RESERVE REQUIREMENT AT December 31, 2004	(180,527)	(212,645)	(26,762)	(169,795)	(163,091)	(218,896)	(613,642)	(1,585,358)
December 31, 2005	<u>254,688</u>	<u>204,475</u>	<u>35,662</u>	<u>259,613</u>	<u>191,646</u>	<u>222,702</u>	<u>715,698</u>	<u>1,884,484</u>
CHANGE IN OPERATING RESERVE	<u>74,161</u>	<u>(8,170)</u>	<u>8,900</u>	<u>89,818</u>	<u>28,555</u>	<u>3,806</u>	<u>102,056</u>	<u>299,126</u>
ACCOUNTS RECEIVABLE FROM (PAYABLE TO) MUNICIPALITIES AT DECEMBER 31, 2005	\$ <u>79,061</u>	\$ <u>(249,864)</u>	\$ <u>11,723</u>	\$ <u>29,934</u>	\$ <u>129,292</u>	\$ <u>(141,720)</u>	\$ <u>(166,986)</u>	\$ <u>(308,560)</u>

See accompanying notes and accountants' report.

CITY OF YORK, PENNSYLVANIA

INTERMUNICIPAL SEWER FUND

NOTES TO SCHEDULE OF REVISED TREATMENT COSTS

December 31, 2005

NOTE A BILLINGS/ACTUAL CHARGES

During 2005, the City of York, Pennsylvania (the "City") estimated the expenses of the Wastewater Treatment Facility. Based on historical usage factors, the estimated cost was prorated to the user municipalities to compute their quarterly billing. The amounts paid were credited to municipalities as estimated treatment billings, net of discount, in the schedule of revised treatment costs. The actual treatment cost calculated by the City was \$1.1245 per 1,000 gallons and was allocated to municipalities as actual charges in the schedule of revised treatment costs.

NOTE B OPERATING RESERVE REQUIREMENT

The City updates the allocation of the operating reserve requirement for the City and the municipalities on an annual basis. The operating reserve requirement is based on the percentage of treatment gallonage processed for the City and each municipality to total treatment gallonage processed. The reserve, which must equal 4/12ths of the budgeted operating expenses, was \$1,884,484 at December 31, 2005. The reserve was calculated to be \$1,585,358 at the end of 2004. Each municipality is credited (charged) for its share of the change in the reserve requirement in the schedule of revised treatment costs.