UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. Census Bureau
National Processing Center
Jeffersonville, IN 47132-0001

May 7, 2003

CITY OF MONESSEN
CITY ADMINISTRATOR
100 THIRD STREET
MONESSEN, PA 15062

Dear Official:

The Federal Audit Clearinghouse recently reviewed your Office of Management and Budget (OMB) Circular A-133 submission for the fiscal year ending 12/31/01. Our review revealed the following necessary components are missing

1 Opinion(s) or Disclaimer of Opinion on Schedule of Federal Awards

Due to the missing component(s), your audit cannot be accepted as complete and processed. Please submit the required component(s) and a copy of this request within thirty days to the following address:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville,IN 47132

If you have any questions concerning this request, please call us toll-free at 1-888-222-9907.

Federal Audit Clearinghouse
U. S. Census Bureau

cc: Auditor

5/26/03 Copy single audit mailed JR

167539 2001
256000871 000 - M1592/129

UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
National Processing Center
Jeffersonville, IN 47132-0001

TO WHOM IT MAY CONCERN:

The Federal Audit Clearinghouse (FAC) has reviewed your client's Office of Management and Budget (OMB) Circular A-133 submission. The submission either was incomplete or the data collection form (Form SF-SAC) contained an error. The FAC has provided your client with the edit list and instructions for filing a revised form.

Since submission of the form is the responsibility of the auditee, the FAC has previously only forwarded correspondence relating to Circular A-133 submissions to the auditee. However, in an effort to improve response rates and communication, the FAC is providing the auditor an informational copy.

If you have any questions about this procedure, please contact the Federal Audit Clearinghouse staff at 888-222-9907.

UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. Census Bureau
National Processing Center
Jeffersonville, IN 47132-0001

July 9, 2003

CITY OF MONESSEN
CITY ADMINISTRATOR
100 THIRD STREET
MONESSEN, PA 15062

Dear Official:

The Federal Audit Clearinghouse recently reviewed your Office of Management and Budget (OMB) Circular A-133 submission for the fiscal year ending 12/31/01. Our review revealed the following necessary components are missing

1 Opinion(s) or Disclaimer of Opinion on Schedule of Federal Awards

Due to the missing component(s), your audit cannot be accepted as complete and processed. Please submit the required component(s) and a copy of this request within thirty days to the following address:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville,IN 47132

Single Audit

If you have any questions concerning this request, please call us toll-free at 1-888-222-9907.

Federal Audit Clearinghouse
U. S. Census Bureau

cc: Auditor

Mailed 7/14/03 jm

167539 2001
256000871 000 - M1597/41

RECEIVED
JUL 14 2003
BY:

July 25, 2002

Sarp & Company, CPAs
RD 1, Box 243
Toll Gate Hill
Greensburg, PA 15601

We are providing this letter in connection with your audit of the financial statements of City of Monessen as of December 31, 2001, and for the year then ended for the purpose of expressing an opinion as to whether the general purpose financial statements present fairly, in all material respects, the financial position of City of Monessen and the results of its operations and the cash flows of its proprietary and similar trust fund types in conformity with generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the general purpose financial statements of financial position, results of operations, and cash flows of the proprietary and similar trust fund types in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of July 25, 2002, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and account groups of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We have made available to you all --

    a. Financial records and related data (and all audit or relevant monitoring reports, if any, received from funding sources.)

    b. Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the Schedule of Expenditures of Federal Awards.

5. There has been no --

   a. Fraud involving management or employees who have significant roles in internal control.

   b. Fraud involving others that could have a material effect on the financial statements.

6. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.

7. The following, if any, have been properly recorded or disclosed in the financial statements:

   a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

   b. Guarantees, whether written or oral, under which the City is contingently liable.

   c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.

8. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.

9. There are no --

   a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

   b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies.*

   c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.

d. Reservations or designation of fund equity that were no properly authorized and approved.

10. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

11. The City has complied with all aspects of contractual agreements that would have a material effect on the general purpose financial statements in the event of noncompliance.

12. With respect to federal award programs.

a. We are responsible for complying and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations.*

b. We have, in accordance with OMB Circular A-133, identified in the Schedule of Expenditures of Federal Awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.

c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.

d. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to reportable conditions reported in the Schedule of Findings and Questioned Costs.

e. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program.

f. We have received no requests from a federal agency to audit one or more specific programs as a major program.

g. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.

h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments, and OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.*

i. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

j. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

k. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the Schedule of Expenditures of Federal Awards.

l. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

m. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

n. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133 and we are responsible for preparing and implementing a corrective action plan for each audit finding.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the Schedule of Findings and Questioned Costs.

Signed: Rosalie Mickish

Title: Ass't City Admin.

Signed: Frank A Francia

Title: City Administrator

INTERNET REPORT ID: 59064 12/13/02 OMB No. 0348-0057

FORM **SF-SAC**
(3-20-2001)

U.S. DEPT. OF COMM.– Econ. and Stat. Admin.– U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET

Data Collection Form for Reporting on AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS

for Fiscal Year Ending Dates On or After January 1, 2001

▶ Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO: **Federal Audit Clearinghouse**
1201 E. 10th Street
Jeffersonville, IN 47132

PART I GENERAL INFORMATION *(To be completed by auditee, except for Item 7)*

1. Fiscal period ending date for this submission
Month 12 / Day 31 / Year 2001 — Fiscal Period End Dates Must Be On or After January 1, 2001

2. Type of Circular A-133 audit
1 [X] Single audit 2 [ ] Program-specific audit

3. Audit period covered
1 [X] Annual 2 [ ] Biennial 3 [ ] Other – Months

FEDERAL GOVERNMENT USE ONLY

4. Date received by Federal clearinghouse

5. Employer Identification Number (EIN)
a. Auditee EIN: 25-6008871

b. Are multiple EINs covered in this report? 1 [ ] Yes 2 [X] No

If Part I, Item 5b = "Yes," complete Part I, Item 5c (Complete the continuation sheet on Page 4)

6. AUDITEE INFORMATION

a. Auditee name
CITY OF MONESSEN

b. Auditee address *(Number and street)*
100 THIRD STREET

City
MONESSEN

State PA ZIP + 4 Code 15062 –

c. Auditee contact
Name
FRANK A. FRANCIA
Title
CITY ADMINISTRATOR

d. Auditee contact telephone
(724) 684 – 9712

e. Auditee contact FAX *(Optional)*
(724) 684 – 4006

f. Auditee contact E-mail *(Optional)*
N/A

g. AUDITEE CERTIFICATION STATEMENT – This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II,** and **III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official

Date Month / Day / Year

Printed Name/Title of certifying official

7. AUDITOR INFORMATION *(To be completed by auditor)*

a. Auditor name
SARP & COMPANY, CPA'S

b. Auditor address *(Number and street)*
RD 1, BOX 243

City
GREENSBURG

State PA ZIP + 4 Code 15061 –

c. Auditor contact
Name
JAMES R. DZURICA, CPA
Title
STAFF ACCOUNTANT

d. Auditor contact telephone
(724) 834 – 2151

e. Auditor contact FAX *(Optional)*
(724) 834 – 5969

f. Auditor contact E-mail *(Optional)*
JDZURICA@SARPCOCPA.ATTBBS.NET

g. AUDITOR STATEMENT – The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 8, 9, and 10, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is **not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II** and **III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor: James R. Dzurica

Date Month Day Year: 12 13 02

INTERNET REPORT ID: 59064 12/13/02 EIN: 2 5 6 0 0 0 8 7 1

PART I GENERAL INFORMATION – Continued

8. Did the auditee expend more than $25,000,000 in Federal awards during the fiscal year? *(Mark (X) one box)*

1 ☐ Yes – **Identify Cognizant Agency in Part I, Item 9** 2 ☒ No – ***SKIP to Part II, Item 1***

9. Indicate which **Federal** awarding agency provided the predominant amount of direct funding in **fiscal year 2000**. *(Mark (X) one box) However, if cognizance has been reassigned, see instructions.*

- 02 ☐ Agency for International Development
- 10 ☐ Agriculture
- 11 ☐ Commerce
- 12 ☐ Defense
- 84 ☐ Education
- 81 ☐ Energy
- 66 ☐ Environmental Protection Agency
- 83 ☐ Federal Emergency Management Agency
- 93 ☐ Health and Human Services
- 14 ☐ Housing and Urban Development
- 15 ☐ Interior
- 16 ☐ Justice
- 17 ☐ Labor
- 47 ☐ National Science Foundation
- 20 ☐ Transportation
- ☐ Other – *Specify:*

PART II FINANCIAL STATEMENTS *(To be completed by auditor)*

1. Type of audit report *(Mark (X) one box)*

1 ☐ Unqualified opinion 2 ☒ Qualified opinion 3 ☐ Adverse opinion 4 ☐ Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 ☐ Yes 2 ☒ No

3. Is a reportable condition disclosed? 1 ☐ Yes 2 ☒ No – *SKIP to Item 5*

4. Is any reportable condition reported as a material weakness? 1 ☐ Yes 2 ☐ No

5. Is a material noncompliance disclosed? 1 ☐ Yes 2 ☒ No

PART III FEDERAL PROGRAMS *(To be completed by auditor)*

1. Type of audit report on major program compliance

1 ☒ Unqualified opinion 2 ☐ Qualified opinion 3 ☐ Adverse opinion 4 ☐ Disclaimer of opinion

2. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending greater than $300,000 in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA SOP 98-3 chapter 10) 1 ☐ Yes 2 ☒ No

3. What is the dollar threshold to distinguish Type A and Type B programs? (§___ .520(b)) $ 300,000

4. Did the auditee qualify as a low-risk auditee? (§___ .530) 1 ☐ Yes 2 ☒ No

5. Is a reportable condition disclosed for any major program? (§ ___ .510(a)(1)) 1 ☐ Yes 2 ☒ No – *SKIP to Item 7*

6. Is any reportable condition reported as a material weakness? (§ ___ .510(a)(1)) 1 ☐ Yes 2 ☐ No

7. Are any known questioned costs reported? (§ ___ .510(a)(3) or (4)) 1 ☐ Yes 2 ☒ No

8. Was a Summary Schedule of Prior Audit Findings prepared? (§___.315(b)) 1 ☐ Yes 2 ☒ No

9. Indicate which **Federal** agency(ies) have current year audit findings related to **direct** funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to **direct** funding. *(Mark (X) all that apply or None)*

- 02 ☐ Agency for International Development
- 10 ☐ Agriculture
- 23 ☐ Appalachian Regional Commission
- 11 ☐ Commerce
- 94 ☐ Corporation for National and Community Service
- 12 ☐ Defense
- 84 ☐ Education
- 81 ☐ Energy
- 66 ☐ Environmental Protection Agency
- 83 ☐ Federal Emergency Management Agency
- 39 ☐ General Services Administration
- 93 ☐ Health and Human Services
- 14 ☐ Housing and Urban Development
- 03 ☐ Institute for Museum Services
- 15 ☐ Interior
- 16 ☐ Justice
- 17 ☐ Labor
- 09 ☐ Legal Services Corp
- 43 ☐ National Aeronautics and Space Administration
- 89 ☐ National Archives and Records Administration
- 05 ☐ National Endowment for the Arts
- 06 ☐ National Endowment for the Humanities
- 47 ☐ National Science Foundation
- 07 ☐ Office of National Drug Control Policy
- 59 ☐ Small Business Administration
- 96 ☐ Social Security Administration
- 19 ☐ State
- 20 ☐ Transportation
- 21 ☐ Treasury
- 82 ☐ United States Information Agency
- 64 ☐ Veterans Affairs
- 00 ☒ **None**
- ☐ Other – *Specify:*

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives . . . . . ☒
- and, if not marked above, the cognizant agency (if identified in Part I, Item 9) 0

Count total number of boxes marked above and submit this number of reporting packages 1

FORM SF-SAC (3-20-2001)

PART III **FEDERAL PROGRAMS – Continued** (Page 3 - #1 of 1)

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number (a) Federal Agency Prefix [1]	CFDA Number (a) Extension [2]	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	**11.** AUDIT FINDINGS Type(s) of compliance requirement(s)[3] (a)	Audit finding reference number(s)[4] (b)
14	.228	1 ☐ Yes 2 ☒ No	COMMUNITY DEVELOPMENT BLOCK GRANT	$ 289,223 .00	1 ☐ Yes 2 ☒ No	1 ☒ Yes 2 ☐ No	O	N/A
14	.239	1 ☐ Yes 2 ☒ No	HOME INVESTMENT PARTNERSHIP PROGRAM	$ 92,736 .00	1 ☐ Yes 2 ☒ No	1 ☐ Yes 2 ☒ No	O	N/A
16	.710	1 ☐ Yes 2 ☒ No	COPS UNIVERSAL HIRING PROGRAM	$ 22,447 .00	1 ☐ Yes 2 ☒ No	1 ☐ Yes 2 ☒ No	O	N/A
		1 ☐ Yes 2 ☐ No		$ .00	1 ☐ Yes 2 ☐ No	1 ☐ Yes 2 ☐ No		
		1 ☐ Yes 2 ☐ No		$ .00	1 ☐ Yes 2 ☐ No	1 ☐ Yes 2 ☐ No		
		1 ☐ Yes 2 ☐ No		$ .00	1 ☐ Yes 2 ☐ No	1 ☐ Yes 2 ☐ No		
		1 ☐ Yes 2 ☐ No		$ .00	1 ☐ Yes 2 ☐ No	1 ☐ Yes 2 ☐ No		
		1 ☐ Yes 2 ☐ No		$ .00	1 ☐ Yes 2 ☐ No	1 ☐ Yes 2 ☐ No		
		1 ☐ Yes 2 ☐ No		$ .00	1 ☐ Yes 2 ☐ No	1 ☐ Yes 2 ☐ No		
		1 ☐ Yes 2 ☐ No		$ .00	1 ☐ Yes 2 ☐ No	1 ☐ Yes 2 ☐ No		
TOTAL FEDERAL AWARDS EXPENDED →				$ 404,406 .00			*IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS*	

[1] See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

[2] Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. *(See Instructions)*

[3] Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § ___ .510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis – Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

[4] N/A for NONE

PART I **Item 5 Continuation Sheet**

c. List the multiple Employer Identification Numbers (EINs) covered in this report.

1	N / A	16		31		46		61	
2		17		32		47		62	
3		18		33		48		63	
4		19		34		49		64	
5		20		35		50		65	
6		21		36		51		66	
7		22		37		52		67	
8		23		38		53		68	
9		24		39		54		69	
10		25		40		55		70	
11		26		41		56		71	
12		27		42		57		72	
13		28		43		58		73	
14		29		44		59		74	
15		30		45		60		75	

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS.

CITY OF MONESSEN
WESTMORELAND COUNTY, PENNSYLVANIA

SINGLE AUDIT

DECEMBER 31, 2001

CITY OF MONESSEN
SINGLE AUDIT PACKAGE

- TABLE OF CONTENTS -

	Page
Transmittal Letter	1
List of Report Distribution	2
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	3,4
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	5,6
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9
Corrective Action Plan	10
Summary of Prior Schedule of Audit Findings	11
Management Letter	12-13

The Independent Auditors' Report on the Financial Statements and the Financial Statements are bound separately.

SARP & COMPANY *CERTIFIED PUBLIC ACCOUNTANTS*

A Member of the McClure & Wolf Group

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 724-834-2151
FAX: 724-834-5969

John F. Sarp, CPA, Managing Partner

9 Dorchester Drive
Pittsburgh, PA 15241
Telephone 412-833-7735
FAX: 412-833-6791

Retired
Donald R. Sarp, CPA
Jerome R. Yasher, CPA

Lawrence J. Nicolette, CPA
1943 - 1991

The Honorable Mayor and
Members of Council
City of Monessen
Monessen, Pennsylvania 15062

We have performed the Single Audit of the City of Monessen for the year ended December 31, 2001, and have enclosed the Single Audit reporting package.

The single audit was done to fulfill the requirements of OMB Circular A-133. It entailed: (1) an audit of the general purpose financial statements and our opinion thereon, (2) an examination of the schedule of expenditures of federal awards and our opinion thereon, (3) a review of the internal control structure based solely on the understanding obtained as part of the audit of the general purpose financial statements, (4) a review of the internal control structure made as a part of the audit of the federal awards programs, (5) a review of compliance based on an audit of the general purpose financial statements in accordance with *Government Auditing Standards,* and (6) a review of compliance with laws and regulations related to the federal awards programs and our opinion thereon.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 25, 2002

The CPA. Never Underestimate the Value.®
MEMBER: AMERICAN AND PENNSYLVANIA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

CITY OF MONESSEN

- LIST OF REPORT DISTRIBUTION -

- City of Monessen - Ten copies of the Single Audit Report Package.
- County of Westmoreland, Planning Department, 601 Courthouse Square, Greensburg, Pennsylvania 15601, Attn: Mr. Andrew Jonczak - One copy of the Single Audit Report Package.
- Commonwealth of Pennsylvania, Office of the Budget, Bureau of Audits, Bell Tower - 6th Floor, 303 Walnut Street, Harrisburg, Pennsylvania 17101-1830 - Attn: Subrecipient Audit Review - Five copies of the Single Audit Report package.
- Bureau of the Census, Data Preparation Division, 1201 East 10 Street, Jeffersonville, Indiana 47132, Attn: Single Audit Clearing House - Two copies of the Single Audit Report Package.

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS
A Member of the McClure & Wolf Group

R.D. 1, Box 243, Toll Gate Hill
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Retired
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Jerome R. Yasher, CPA

Lawrence J. Nicolette, CPA
1943 - 1991

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and
Members of Council
City of Monessen
Monessen, Pennsylvania 15062

We have audited the general purpose financial statements of the City of Monessen as of and for the year ended December 31, 2001, and have issued our report thereon dated July 25, 2002, which was qualified because the general purpose financial statements do not include the financial data of the Monessen Civic Recreation Authority and, as discussed in Note A-3 to the financial statements, the City of Monessen has consistently valued the assets in the General Fixed Asset Account Group at appraised value rather than at historical cost, as prescribed by accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards, generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Monessen's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Monessen's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal

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MEMBER: AMERICAN AND PENNSYLVANIA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of City council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 25, 2002

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS
A Member of the McClure & Wolf Group

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and
Members of Council
City of Monessen
Monessen, Pennsylvania 15062

We have audited the compliance of the City of Monessen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The City of Monessen's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City of Monessen's management. Our responsibility is to express an opinion on the City of Monessen's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Monessen's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Monessen's compliance with those requirements.

In our opinion, the City of Monessen complied in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

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Internal Control Over Compliance

The management of the City of Monessen is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Monessen's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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Greensburg, Pennsylvania
July 25, 2002

Program or Award Amount	Total Received For Year	Accrued or (Deferred) Revenue @ 12/31/00	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue @ 12/31/01
$ 439,635	$ 77,790	$ 0	$ 77,790	$ 77,790	$ 0
422,262	97,841	11,682	86,159	86,159	0
421,127	98,879	139	98,740	98,740	0
417,385	19,061	0	26,534	26,534	7,473
	293,571	11,821	289,223	289,223	7,473
195,500	76,486	0	92,736	92,736	16,250
	76,486	0	92,736	92,736	16,250
	370,057	11,821	381,959	381,959	23,723
$150,000	8,114	22,447	22,447	22,447	0
	$378,171	$34,268	$404,406	$404,406	$23,723

CITY OF MONESSEN
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Monessen and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

CITY OF MONESSEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001

1. Summary of Auditors' Results

Financial Statement Items:

- The auditors' report expresses a qualified opinion on the general purpose financial statements due to the exclusion of the financial data of the Monessen Civic Recreation Authority and the recording of fixed assets at appraised value rather than at historical cost as prescribed by generally accepted accounting principles.
- No reportable conditions were disclosed.
- No instances of noncompliance that would be material to the financial statements were found.

Single Audit Items:

- No reportable conditions were disclosed on internal controls over major programs.
- The auditors' report on compliance for major programs is unqualified.
- There were no audit findings for the year ended December 31, 2001.
- The Community Development Block Grant Program (CFDA# 14.228) was tested as a major program.
- The dollar threshold between Type A programs and Type B programs is $300,000.
- City of Monessen was determined to be a non-low-risk auditee.

2. Findings Relating to the Financial Statements Audited in Accordance with *Government Auditing Standards*

NONE

3. Findings and Questioned Costs for Major Federal Award Programs

NONE

CITY OF MONESSEN
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2001

N/A

CITY OF MONESSEN
SUMMARY OF PRIOR SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2001

N/A

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MANAGEMENT LETTER

The Honorable Mayor and
Members of Council
City of Monessen
Monessen, Pennsylvania 15062

We have audited the general purpose financial statements of the City of Monessen for the year ended December 31, 2001, and have issued our report thereon dated July 25, 2002.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the City of Monessen for the year ended December 31, 2001, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the City of Monessen is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in condition or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

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Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. We do however make the following recommendations:

Recently, the *Governmental Accounting Standards Board (GASB)* passed GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments," which establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will create new information and will restructure much of the information that governments have presented in the past. This statement establishes that the basic financial statements and required supplementary information (RSI) for the general purpose governments should consist of the following: management's discussion and analysis, basic financial statements, government-wide financial statements, fund financial statements, notes to the financial statements, and required supplementary information. Implementation of the requirements of this Statement are effective in three phases based on a government's total annual revenues in the first fiscal year beginning June 15, 2001, as follows

Revenues	Fiscal Year Beginning After June 15:
> $100 Million	2001
> $10 Million < $100 Million	2002
< $10 Million	2003

It is therefore recommended that the City of Monessen begin the process of implementing this standard through the education of its management and staff.

We wish to thank the staff and personnel of the City of Monessen for their cooperation and helpfulness to our staff during the course of the audit.

This information is intended solely for the information and use of management, City Council, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sarp & Company

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CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 25, 2002

UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. Census Bureau
National Processing Center
Jeffersonville, IN 47132-0001

Dear Official:

The Federal Audit Clearinghouse recently reviewed your Office of Management and Budget (OMB) Circular A-133 submission. Please consult the enclosed correspondence for additional information regarding your submission.

8/15/03
Per QB he called - handled statement
jm

RECEIVED
RECEIVED
AUG 11 2003
BY:

August 5, 2003

CITY OF MONESSEN
CITY ADMINISTRATOR
100 THIRD STREET
MONESSEN, PA 15062

Dear Official:

The Federal Audit Clearinghouse recently reviewed your Office of Management and Budget (OMB) Circular A-133 submission for the fiscal year ending 12/31/01. Our review revealed the following necessary components are missing

1 Opinion(s) or Disclaimer of Opinion on Schedule of Federal Awards

Due to the missing component(s), your audit cannot be accepted as complete and processed. Please submit the required component(s) and a copy of this request within thirty days to the following address:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville,IN 47132

If you have any questions concerning this request, please call us toll-free at 1-888-222-9907.

Federal Audit Clearinghouse
U. S. Census Bureau

cc: Auditor

167539 2001
256000871 000 - M1630/33

August 5, 2003

CITY OF MONESSEN
CITY ADMINISTRATOR
100 THIRD STREET
MONESSEN, PA 15062

Dear Official:

The Federal Audit Clearinghouse recently reviewed your Office of Management and Budget (OMB) Circular A-133 submission for the fiscal year ending 12/31/01. Our review revealed the following necessary components are missing

1 Opinion(s) or Disclaimer of Opinion on Schedule of Federal Awards

Due to the missing component(s), your audit cannot be accepted as complete and processed. Please submit the required component(s) and a copy of this request within thirty days to the following address:

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The Honorable Mayor and
Members of Council
City of Monessen
Monessen, Pennsylvania 15062

We have performed the Single Audit of the City of Monessen for the year ended December 31, 2001, and have enclosed the Single Audit reporting package.

The single audit was done to fulfill the requirements of OMB Circular A-133. It entailed: (1) an audit of the general purpose financial statements and our opinion thereon, (2) an examination of the schedule of expenditures of federal awards and our opinion thereon, (3) a review of the internal control structure based solely on the understanding obtained as part of the audit of the general purpose financial statements, (4) a review of the internal control structure made as a part of the audit of the federal awards programs, (5) a review of compliance based on an audit of the general purpose financial statements in accordance with *Government Auditing Standards,* and (6) a review of compliance with laws and regulations related to the federal awards programs and our opinion thereon.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 25, 2002

As Required by Circular A133, we must have either an opinion or disclaimer of opinion on the SFFA.

1 Your initial package plus the two subsequent S.A. submissions

August 5, 2003

CITY OF MONESSEN
CITY ADMINISTRATOR
100 THIRD STREET
MONESSEN, PA 15062

Dear Official:

The Federal Audit Clearinghouse recently reviewed your Office of Management and Budget (OMB) Circular A-133 submission for the fiscal year ending 12/31/01. Our review revealed the following necessary components are missing

1 Opinion(s) or Disclaimer of Opinion on Schedule of Federal Awards

Due to the missing component(s), your audit cannot be accepted as complete and processed. Please submit the required component(s) and a copy of this request within thirty days to the following address:

Federal Audit Clearinghouse
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Jeffersonville,IN 47132

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U. S. Census Bureau

cc: Auditor

Please see attached correspondence.

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The Honorable Mayor and
Members of Council
City of Monessen
Monessen, Pennsylvania 15062

We have performed the Single Audit of the City of Monessen for the year ended December 31, 2001, and have enclosed the Single Audit reporting package.

The single audit was done to fulfill the requirements of OMB Circular A-133. It entailed: (1) an audit of the general purpose financial statements and our opinion thereon, (2) an examination of the schedule of expenditures of federal awards and our opinion thereon, (3) a review of the internal control structure based solely on the understanding obtained as part of the audit of the general purpose financial statements, (4) a review of the internal control structure made as a part of the audit of the federal awards programs, (5) a review of compliance based on an audit of the general purpose financial statements in accordance with *Government Auditing Standards,* and (6) a review of compliance with laws and regulations related to the federal awards programs and our opinion thereon.

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CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 25, 2002

As Required by Circular A133, we must have either an opinion or disclaimer of opinion on the SFFA.

1 Your initial package plus the two subsequent S.A. submissions do not contain such.