Here are the most **interesting takeaways** from the **City of Monessen's 1995 Single Audit**:

---

1. All Prior Audit Findings Were Corrected

- The city **fully resolved all prior year audit findings**, demonstrating follow-through and accountability.

🟢 **Why it's interesting**: Not every municipality takes action this quickly — this reflects well on Monessen's leadership at the time.

---

2. Only One Minor Compliance Finding

- The only finding was **late submission** of the Annual Performance Report to the Pennsylvania Department of Community Affairs (DCA).
- There were **no questioned costs**, **no material weaknesses**, and no other compliance issues.

🟢 **Why it's notable**: It's rare to see such a clean audit. Even this issue was administrative, not financial.

---

3. 100% of Federal Funds Were Spent on a Single Program

- All $854,765 in federal funds were used on the **Community Development Block Grant (CDBG)** program (CFDA #14.228).

🟢 **Why it's interesting**: This shows the city's **entire federal aid strategy revolved around CDBG**, which can be both a focused strength and a funding vulnerability.

---

4. City Responded Promptly with a Corrective Action Plan

- The city **agreed with the auditor's finding** and **implemented new procedures immediately** to ensure timely report submission.

🟢 **Why it's a positive sign**: It demonstrates transparency and a willingness to adapt to regulatory expectations.

---

5. No Material Weaknesses in Internal Controls

- The audit covered a comprehensive list of areas (cash, payroll, inventory, property, civil rights, Davis-Bacon, drug-free compliance, etc.) and found **no material weaknesses** in any area.

🟢 **Why it's impressive**: For a small city, such audit results reflect a well-run operation during that year.

CITY OF MONESSEN
WESTMORELAND COUNTY, PENNSYLVANIA

SINGLE AUDIT

DECEMBER 31, 1995

CITY OF MONESSEN
SINGLE AUDIT

- I N D E X -

	Page
Transmittal Letter	1
List of Report Distribution	2
Management Letter	3,4
Independent Auditors' Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*	5,6
Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*	7
Independent Auditors' Report on Schedule of Federal Financial Assistance	8
Schedule of Federal Financial Assistance	9
Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance	10-13
Independent Auditors' Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	14,15
Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	16,17
Schedule of Findings and Questioned Costs	18
Single Audit Response and Corrective Action Plan	19
Report on Status of Prior Year Compliance Findings and Internal Control Weaknesses	20

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
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, 1995, and have enclosed the Single Audit reporting package.

The single audit was done to fulfill the requirements of OMB Circular A-128. It entailed: 1. an audit of the general purpose financial statements and our opinion thereon; 2. an examination of the schedule of federal financial assistance 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 financial assistance 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 financial assistance programs and our opinion thereon.

As part of our report, we have enclosed a Management Letter.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

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, 303 Walnut Street, Bell Tower - Strawberry Square, 6th Floor, Harrisburg, Pennsylvania 17101 - 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 - One copy of the Single Audit Report Package.

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
Lawrence J. Nicolette, CPA (1943-1991)

MANAGEMENT LETTER

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

We have audited the general purpose financial statements of the City of Monessen, Pennsylvania for the year ended December 31, 1995, and have issued our report thereon dated July 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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, Pennsylvania for the year ended December 31, 1995, 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, Pennsylvania 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.

MEMBER: PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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.

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.

However, we noted certain matters involving the internal control structure and its operation that we feel should be mentioned. These are as follows:

Single Audit:

Finding: It was noted during the testing of federal financial reports submitted to DCA, that the annual report was not submitted on a timely basis.

Recommendation: It is recommended that the City institute procedures to ensure that reports submitted to DCA will be on a timely basis.

We do not consider the above item to be a material weakness in the design or operation of the internal control structure.

In 1995, the City satisfied a previous audit finding by obtaining an industrial appraisal report valuing the fixed assets of the City.

This information is intended solely for the information of the City of Monessen. This restriction, however, is not intended to limit the distribution of this report, which is a matter of public record.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
Lawrence J. Nicolette, CPA (1943-1991)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the general purpose financial statements of the City of Monessen, Pennsylvania for the year ended December 31, 1995, and have issued our report thereon dated July 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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.

The management of the City of Monessen, Pennsylvania, 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 general purpose 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 conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the City of Monessen for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

MEMBER: PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 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 general purpose 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 operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Monessen, Pennsylvania in a separate letter dated July 12, 1996.

This report is intended for the information of management, the U.S. Department of Housing and Urban Development, and other federal and state audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
Lawrence J. Nicolette, CPA (1943-1991)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the general purpose financial statements of the City of Monessen, Pennsylvania as of and for the year ended December 31, 1995, and have issued our report thereon dated July 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *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.

Compliance with laws, regulations, contracts, and grants applicable to the City of Monessen, Pennsylvania is the responsibility of the City of Monessen, Pennsylvania's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. 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*.

The results of our tests disclosed immaterial instances of noncompliance with the above requirements which we have reported to the management of the City of Monessen in a separate letter dated July 12, 1996.

This report is intended for the information of management, the U.S. Department of Housing and Urban Development, and other federal and state audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

MEMBER: PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
Lawrence J. Nicolette, CPA (1943-1991)

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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

We have audited the general purpose financial statements of the City of Monessen, Pennsylvania for the year ended December 31, 1995, and have issued our report thereon dated July 12, 1996. These general purpose financial statements are the responsibility of the City of Monessen, Pennsylvania's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Monessen, Pennsylvania taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

MEMBER: PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue at 12/31/94	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at 12/31/95
$ 444,626	$152,346	$ 0	$287,224	* $287,224	$134,878
422,484	315,600	0	335,462	* 335,462	19,862
381,898	212,934	0	212,934	* 212,934	0
330,789	19,145	0	19,145	* 19,145	0
333,778	0	0	0	* 0	0
303,763	0	0	0	* 0	0
2,217,338	700,025	0	854,765	* 854,765	154,740
$2,217,338	$700,025	$ 0	$854,765	$854,765	$154,740

Calculation of the 50% Rule: Program Selected — Expenditures

CFDA Number: 14.228

Pass Through Grantor Number:

S-95-E-06-5-2	* $287,224
S-94-E-06-5-2	* 335,462
S-93-E-06-5-2	* 212,934
S-92-E-06-5-2	* 19,145
S-91-E-06-5-2	* 0
S-90-E-06-5-2	* 0

Net Federal Expenditures for Programs Tested — 854,765

TOTAL FEDERAL EXPENDITURES — $854,765

$854,765/854,765 = 100%

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
Lawrence J. Nicolette, CPA (1943-1991)

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE

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

We have audited the general purpose financial statements of the City of Monessen, Pennsylvania as of and for the year ended December 31, 1995, and have issued our report thereon dated July 12, 1996. We have also audited the compliance of the City of Monessen, Pennsylvania with requirements applicable to major federal financial assistance programs and have issued our report thereon dated July 12, 1996.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Monessen, Pennsylvania complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1995, we considered the internal control structure of the City of Monessen, Pennsylvania in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the City of Monessen, Pennsylvania and on the compliance of the City of Monessen, Pennsylvania with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated July 12, 1996.

The management of the City of Monessen, Pennsylvania 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, that

MEMBER: PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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 conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Activity Cycles

- Treasury or financing
- Revenue/receipts
- Purchases/disbursements
- External financial reporting
- Payroll/personnel

Financial Statement Captions

- Cash and cash equivalents
- Receivables
- Inventory
- Property and equipment
- Payables and accrued liabilities
- Debt
- Fund balance

Accounting Applications

- Billings
- Receivables
- Cash receipts
- Purchasing and receiving
- Accounts payable
- Cash disbursements
- Payroll
- Inventory control
- Property and equipment
- General ledger

General Requirements

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services
- Eligibility
- Matching, level of effort, and earmarking
- Reporting
- Claims for advances and reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the City of Monessen, Pennsylvania expended 100 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City of Monessen, Pennsylvania's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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 reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk noncompliance with laws and regulations that would be material to a federal financial assistance program 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.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Monessen, Pennsylvania in a separate letter dated July 12, 1996.

This report is intended for the information of management, the U.S. Department of Housing and Urban Development, and other federal and state audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
Lawrence J. Nicolette, CPA (1943-1991)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general purpose financial statements of the City of Monessen, Pennsylvania as of and for the year ended December 31, 1995, and have issued our report thereon dated July 12, 1996.

We have applied procedures to test the City of Monessen, Pennsylvania's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995:

General Requirements:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation Assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug free workplace
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Monessen, Pennsylvania's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

MEMBER: PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Monessen, Pennsylvania, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, the U.S. Department of Housing and Urban Development, and other federal and state audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

R.D. 1, Box 243, Toll Gate Hill
Greensburg, PA 15601
Telephone 412-834-2151
FAX: 412-834-5969

John F. Sarp, CPA
Jerome R. Yasher, CPA

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

Donald R. Sarp, Partner Emeritus
Lawrence J. Nicolette, CPA (1943-1991)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general purpose financial statements of the City of Monessen, Pennsylvania as of and for the year ended December 31, 1995, and have issued our report thereon dated July 12, 1996.

We have also audited the City of Monessen, Pennsylvania's compliance with the requirements governing types of services; eligibility; matching, level of effort, or earmarking; reporting; and claims for advances and reimbursements; that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1995. The management of the City of Monessen, Pennsylvania is responsible for the City of Monessen, Pennsylvania's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Monessen, Pennsylvania's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to in the second paragraph, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

MEMBER: PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

In our opinion, the City of Monessen, Pennsylvania complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1995.

This report is intended for the information of management, the U.S. Department of Housing and Urban Development, and other federal and state audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
July 12, 1996

CITY OF MONESSEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1995

Program	Finding/Noncompliance	Questioned Costs
Community Development Block Grant CFDA #14.228	Finding: Statement of Condition: It was noted during single audit testing that the Annual Performance Report was not filed until after the due date established by the Department of Community Affairs. Criteria: Federal financial reports should be filed timely. Effect of Condition: The report was not filed timely as prescribed by federal and state regulations. Cause of Condition: The annual financial information was not received by Department of Community Affairs on a timely basis. Recommendation: It is recommended that the City of Monessen institute procedures to ensure that federal financial reports will be submitted on a timely basis.	NONE

CITY OF MONESSEN
SINGLE AUDIT RESPONSE AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 1995

Finding: The Annual Performance Report was filed after the due date established by the Department of Community Affairs.

Response: The City of Monessen concurs with the auditors finding and recommendation. Effective immediately procedures will be established to ensure that reports are filed in a timely basis.

John Swann, City Administrator

CITY OF MONESSEN
REPORT ON STATUS OF PRIOR YEAR
COMPLIANCE FINDINGS AND INTERNAL CONTROL WEAKNESSES
FOR THE YEAR ENDED DECEMBER 31, 1995

All prior year audit findings have been corrected by the City of Monessen.