

***Westmoreland County  
Controller***

**AUDITING DEPARTMENT**

**Jeffrey Balzer**

**County Controller**

Audit of

City of Monessen Treasurer  
Gerald Saksun

Financial Statements – Modified Cash Basis  
For the period March 1, 2020 to February 28, 2021

Prepared for

Westmoreland County  
Board of Commissioners

Audit of

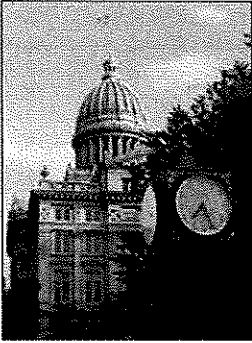
City of Monessen Treasurer  
Gerald Saksun

Presented by

Jeffrey Balzer  
County Controller

And

Westmoreland County Auditing Department



## **Westmoreland County Controller's Office**

2 North Main St., Suite 111  
Greensburg, PA 15601  
Phone (724) 830-3115, Fax (724) 830-3134

*Jeffrey Balzer, Controller*

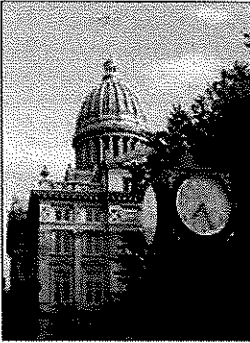
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City of Monessen Treasurer  
Gerald Saksun

Audit Distribution List

For the period March 1, 2020 to February 28, 2021

1. Gerald Saksun, City of Monessen Treasurer
2. Board of Commissioners
3. Linda Kuchar, Acting Director, Tax Office
4. Monessen School District, c/o Secretary
5. City of Monessen, c/o Secretary



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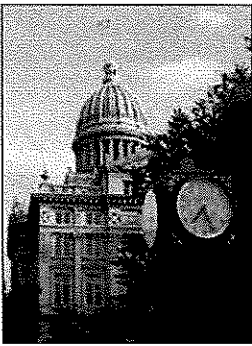
*Jeffrey Balzer, Controller*

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City of Monessen Treasurer  
For the period March 1, 2020 to February 28, 2021

## Table of Contents

Transmittal Letter .....	1
Independent Auditor's Report .....	2
Financial Statements – Modified Cash Basis:	
Statement of Cash Receipts and Disbursements – General Taxes March 1, 2020 to February 28, 2021 .....	4
Statement of Balance Outstanding – General Taxes March 1, 2020 to February 28, 2021 .....	5
Statement of Cash Receipts and Disbursements – Supplemental Taxes October 1, 2019 to September 30, 2020 .....	6
Statement of Balance Outstanding – Supplemental Taxes October 1, 2019 to September 30, 2020 .....	7
Notes to the Financial Statements .....	8
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> .....	9
Schedule of Findings .....	11
Compliance with Prior Year .....	12
Controller's Note .....	13



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*On the web at... [www.co.westmoreland.pa.us](http://www.co.westmoreland.pa.us)*

December 16, 2021

Gerald Saksun  
City of Monessen Treasurer  
557 Donner Avenue  
Monessen, PA 15062

Dear Mr. Saksun:

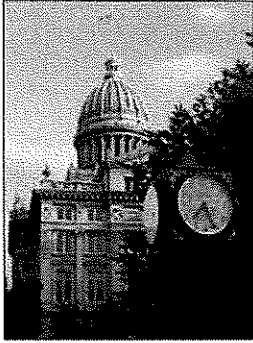
Transmitted herewith for your information is a copy of the audit of Westmoreland County Real Estate taxes processed and accounted for by your office, the purpose of which is to express an opinion on the fairness of the presentation of the financial statements for Westmoreland County Real Estate taxes for the period March 1, 2020 to February 28, 2021 for general taxes and for the period October 1, 2019 to September 30, 2020 for supplemental taxes.

In line with the policy of this office under which all official audit reports are considered to be public information, a report will be released to the news media or general public upon request.

If there are any questions you may have or comments you desire to make concerning this report, please do not hesitate to contact this office.

Sincerely,

Jeffrey Balzer  
County Controller



# Westmoreland County Controller's Office

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December 16, 2021

## ***Independent Auditor's Report***

Gerald Saksun  
City of Monessen Treasurer  
557 Donner Avenue  
Monessen, PA 15062

Dear Mr. Saksun:

We have audited the Statement of Balance Outstanding-Modified Cash Basis of the City of Monessen Treasurer for Westmoreland County General Real Estate taxes for the period ended February 28, 2021 and for Westmoreland County Supplemental taxes for the period ended September 30, 2020 and the Statement of Cash Receipts and Disbursements-Modified Cash Basis for the period March 1, 2020 to February 28, 2021 for general taxes and for the period October 1, 2019 to September 30, 2020 for supplemental taxes and the related notes to the financial statements, as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Monessen Treasurer's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Monessen Treasurer's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all materials respects, for Westmoreland County Real Estate taxes, the Statement of Balance Outstanding-Modified Cash Basis of the City of Monessen Treasurer for the period ended February 28, 2021 for general taxes, and for the period ended September 30, 2020 for supplemental taxes, and the Cash Receipts and Disbursements-Modified Cash Basis for the period March 1, 2020 to February 28, 2021 for general taxes, and for the period October 1, 2019 to September 30, 2020 for supplemental taxes, on the modified cash basis of accounting as described in Note 2.

***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. These financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

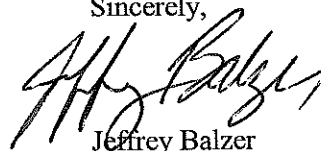
***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021 on our consideration of City of Monessen Treasurer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

***Other Matters***

As discussed in Note 1, the financial statements present only the Westmoreland County Real Estate supplemental taxes for the period ended September 30, 2020, and general taxes for the period ended February 28, 2021, and it is not intended to be a complete presentation of the tax collector's financial position or results of operation on the modified cash basis of accounting.

Sincerely,



Jeffrey Balzer  
County Controller

City of Monessen Treasurer  
 Gerald Saksun  
 Statement of Cash Receipts and Disbursements  
 Modified Cash Basis  
 For the period March 1, 2020 to February 28, 2021

Receipts:

General	\$ 1,037,767.55	
Total Receipts		1,037,767.55

Disbursements:

March	143,605.91	
April	502,979.13	
May	222,759.37	
June	49,326.37	
July	31,644.79	
August	42,115.89	
September	11,694.97	
October	5,872.15	
November	3,042.76	
December	23,338.65	
January	1,387.56	
February	-	
 Total Disbursements		1,037,767.55
 Balance Due		\$ -

Note: The accompanying notes are an integral part of the financial statements.



City of Monessen Treasurer  
 Gerald Saksun  
 Statement of Balance Outstanding  
 Modified Cash Basis  
 For the period March 1, 2020 to February 28, 2021

Amount Charged on the Duplicate:

General	1,255,523.67	
Total Amount Charged		1,255,523.67
Add: Surcharges	7,371.50	
Less: Exonerations	<u>(8,363.25)</u>	
Adjustment to the Duplicate		<u>(991.75)</u>
Total Available for Collection (Face)		1,254,531.92

Collections:

General	1,037,767.55	
Less Refunds	<u>(155.80)</u>	
Total Actual Amount Collected		1,037,611.75
Add: Discounts	20,294.42	
Less: Penalties	<u>(54.32)</u>	
Adjustments		<u>20,240.10</u>
Face Collections		<u>1,057,851.85</u>
Balance Outstanding (Face)		<u>\$ 196,680.07</u>

Note: The accompanying notes are an integral part of the financial statements.

City of Monessen Treasurer  
 Gerald Saksun  
 Statement of Cash Receipts and Disbursements - Supplemental Taxes  
 Modified Cash Basis  
 For the Supplemental Duplicates issued October 1, 2019 to September 30, 2020

Receipts on Duplicates

Total Supplemental Receipts	\$	23.10	
			23.10

Disbursements made on Duplicates

October 2019 to March 2020		23.10	
April		-	
May		-	
June		-	
July		-	
August		-	
September		-	
October		-	
November		-	
December		-	
January		-	
February		-	
		<hr style="width: 100%;"/>	
 Total Disbursements			 <hr style="width: 100%;"/> 23.10
 Balance Due			 \$ <u><u>          -</u></u>

Note: The accompanying notes are an integral part of the financial statements.

City of Monessen Treasurer  
 Gerald Saksun  
 Statement of Balance Outstanding – Supplemental Taxes  
 Modified Cash Basis  
 For Supplemental Duplicates issued October 1, 2019 to September 30, 2020

Amount Charged on Duplicate:

Supplemental Taxes	\$	23.57	
Less: Exonerations		-	
 Total Available for Collection			 23.57

Collections on Duplicate:

Total Supplemental	23.10		
		23.10	
 Add: Discounts	 0.47		
Less: Penalties	-		
 Adjustments to Collections		 0.47	
 Total Collected at Face			 23.57
 Balance Outstanding (Face)			 \$ -

Note: The accompanying notes are an integral part of the financial statements.

City of Monessen Treasurer  
Gerald Saksun  
Notes to the Financial Statements  
For the period March 1, 2020 to February 28, 2021

Note # 1: Nature of Entity and Scope of Audit

The scope of our audit did not include a sufficient examination with respect to the financial statements and records for the preceding period to enable us to, and we do not, express an opinion on the consistency of application of accounting principles for the prior period. Also, the Tax Collector is responsible for collecting various local taxes, school taxes, etc., as well as Westmoreland County Real Estate Taxes. Our audit pertained only to the examination of Westmoreland County Real Estate Taxes and did not include a sufficient examination with respect to the overall function of the Tax Collector to enable us to, and we do not, express an opinion on the Tax Collector as a whole. The financial statements present only the Westmoreland County Real Estate General and Supplemental tax for the period ended February 28, 2021, and September 30, 2020, respectively, on the modified cash basis of accounting and is not intended to be a complete presentation of the tax collector's financial position or results of operation on the modified cash basis of accounting.

Note #2: Summary of Significant Accounting Policies

Basis of Accounting- The financial statements of the Tax Collector for Westmoreland County Real Estate Taxes are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Receipts, which include general taxes and supplemental taxes, are recorded when monies are actually received.

Disbursements, which only include payments to the Westmoreland County Treasurer's Office, are recorded when paid. The balance outstanding reflects the unpaid taxes which are turned over to the County at the end of the related tax year.

Note #3: Supplemental Taxes

Supplemental tax duplicates are issued on a monthly basis. The taxpayer is given two months from the date the duplicate is issued to pay the discount amount. The face period runs for the next two months, after which the item must be paid at the penalty amount. As a result, only those items appearing on duplicates issued from October 1, 2019 to September 30, 2020 were subject to being returned on the delinquent list to the County Tax Claim Bureau if they were not paid. The financial statements for Supplemental taxes presented in this report reflect this period.

Note #4: Cash

Deposits

All of the Community Bank deposits of the City of Monessen Treasurer are either insured or collateralized per Act 72 of the Commonwealth of Pennsylvania. Deposits collateralized per Act 72 of the Commonwealth of Pennsylvania, dated August 6, 1971 (Act 72) are secured by pooled collateral as permitted by the Act.

At February 28, 2021, the City of Monessen Treasurer's Community Bank deposits had a carrying value of \$3.58 and a bank balance of \$3.58. The bank balance was covered by the federal depository insurance.

City of Monessen Treasurer  
Gerald Saksun  
Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards*

December 16, 2021

We have audited, in accordance with the 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, the financial statements of the City of Monessen Treasurer, for the period ended February 28, 2021 and for the period March 1, 2020 to February 28, 2021 for the Westmoreland County General Taxes, and for the period ended September 30, 2020 and for the period October 1, 2019 to September 30, 2020 for Westmoreland County Supplemental Taxes, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Monessen Treasurer's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Monessen Treasurer's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Monessen Treasurer's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Treasurer's financial statement(s) will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as items that we consider to be a significant deficiency.

Item # 1: Penalty Collected

City of Monessen Treasurer  
Gerald Saksun  
Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards*  
(Continued)

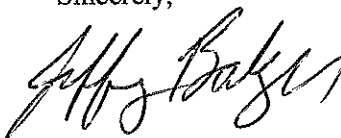
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Monessen Treasurer's financial statement(s) are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item #1.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Treasurer's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Treasurer's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,



Jeffrey Balzer  
County Controller

City of Monessen Treasurer  
Gerald Saksun  
Schedule of Findings  
For the period March 1, 2020 to February 28, 2021

Item #1: Penalty Collected

Criteria:

Due to the Covid-19 pandemic, per the Commissioner's resolution #R-16-2020, "the County hereby waives any fees or penalties associated with the late payment of the tax imposed on the assessed value of real estate, provided the tax is paid in its entirety by December 31, 2020."

Condition/Cause:

We noted that the City Treasurer accepted payments in January 2021 that were postmarked December 2020, in which the taxpayers had paid at penalty.

Effect:

This resulted in noncompliance with the resolution and overpayments to the county.

Recommendation:

We recommend the Tax Collector issue letters to the Tax Claim Bureau requesting refunds to the taxpayers for the penalty amounts paid.

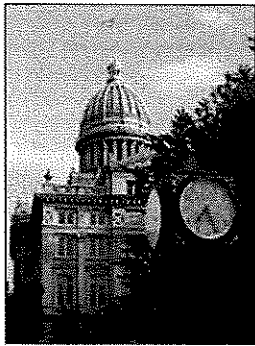
*Note: The City Treasurer's Office has already requested these refunds from the Tax Claim Bureau.*

City of Monessen Treasurer  
Compliance with Prior Years' Findings  
For the period March 1, 2020 to February 28, 2021

At the completion of the 2019 annual audit, we made two recommendations for improving the City of Monessen Treasurer's accounting procedures and internal controls. The following is the status of that recommendation.

		Recommendation Complied With:		
		<u>Yes</u>	<u>No</u>	<u>In Process</u>
Item #1:	Timely Deposit of County Money	X		
Item #2:	Posting Exonerations	X		





## Westmoreland County Controller's Office

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Controller's Note

City of Monessen Treasurer

For the Period March 1, 2020 to February 28, 2021

December 16, 2021

This report was released as a draft on December 6, 2021. The finding was reviewed with the Treasurer on December 6, 2021. The Controller's Office requires a written response within ten days of receipt of this report from the Treasurer. No response was received from the Treasurer. This report is final effective December 16, 2021.