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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Municipal Legislature
Municipality of Corozal
Corozal, Puerto Rico

Report on Compliance for Each Major Federal Program
I have audited the Municipality of Corozal of the Commonwealth of Puerto Rico, (from now on the Municipality) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Municipality's major federal program for the fiscal year ended June 30, 2020. The Municipality's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
My responsibility is to express an opinion on compliance for each of the Project's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 Project's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for the major federal program. However, my audit does not provide a legal determination of the Municipality's compliance.

Basis for Qualified Opinion (See the following table)

Finding Number	CFDA Number	Program (or Cluster) Name	Compliance Requirement	Questioned Cost
2020-004	14.871	Section 8 Housing Choice Vouchers Program	Reporting	$ 0
2020-005	14.228	Community Development Block Grant	Equipment and Real Property Management	$ 0

Qualified Opinion (See the above table)
In my opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, Municipality complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs described in the above table for the fiscal year ended June 30, 2020.

Other Matters
Municipality's response to the noncompliance finding identified in my audit is described in the accompanying Schedule of Findings and Questioned Costs. Municipality's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Opinion on Each Major Federal Program
In my opinion, the Municipality complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the fiscal year ended June 30, 2020.

Report on Internal Control over Compliance
Management of the Municipality is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Municipality's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Municipality's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designated to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that I consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiencies in In internal control over compliance described in the company Schedule of Finding of Questioned Costs as items 2020-004 through 2020-005 to be material weakness.

Municipality response to the internal control over compliance finding identified, in my audit are described in the companying Schedule of Finding of Questioned Costs. Municipality's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion under response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Arecibo, Puerto Rico
October 20, 2021

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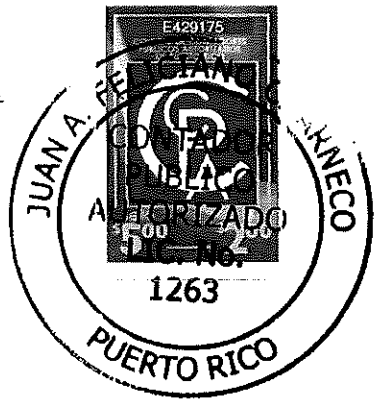

Juan A. Feliciano Charneco
License No. 1263
Expires December 31, 2022

COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF COROZAL
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTONED COSTS
SECTION 1 – SUMMARY OF AUDIT RESULTS
JUNE 30, 2020

Financial Statements

Type of auditor's report issued:

Governmental Activities	Qualified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:
Material weakness (es) identified? __X__ yes ___ no
Significant deficiency (s)? _____ yes _X_ no

Noncompliance material to financial statements noted? __X__ yes ___ no

Federal Awards
Internal control over major programs:
Material weakness (es) identified? __X__ yes ____ no
Significant deficiency (s) identified not? _____ yes _X_ no

Type of auditor's report issued on compliance for
Major Federal Programs:
Qualified opinion
Section 8 Housing Choice Vouchers Program __X__ yes _____no

Unmodified opinion
Hazard Mitigation Grant Program __X__ yes _____no
Community Disaster Loan __X__ yes _____no

Any audit findings disclosed that are
required to be reported in accordance
with 2 CFR-200.516 (a)? __X__ yes ____ no

Identification of major federal programs:

CFDA Number	**Name of Federal Program or Cluster**
14.871	Section 8 – Housing Choice Voucher Program
97.030	Community Disaster Loan
97.039	Hazard Mitigation Grant Program

Dollar threshold used to distinguish
Between type A and Type B Program: $750,000

Federal Awards:
Auditee qualified as low risk auditee? _____ yes __X__ no