

COMMONWEALTH OF PUERTO RICO
AUTONOMOUS MUNICIPALITY OF CAROLINA
P.O. BOX 8
CAROLINA, PUERTO RICO 00986-008

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10/04/0003



**SINGLE AUDIT 2009
CORRECTIVE ACTION PLAN**



José C. Aponte Dalmau
Mayor

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ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL AUTÓNOMO DE CAROLINA

March 26, 2010

Bureau of the Census
Single Audit Clearinghouse
1201 E. 10th St.
Jefferson Ville, IN 47132

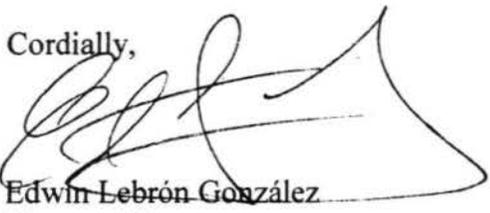
Single Audit Report of the Municipality of Carolina for the year ended June 30, 2009

The following are the Financial Statement under the new format prescribed by the provision of Government Accounting Standard Board Statement 34 (GASB 34) and the Single Audit Package, that represent the Single Audit Report of the Municipality of Carolina for the year ended June 30, 2009 as required by the Single audit Act of 1984, as amended. The following reports are included:

- a. The Single Audit Report, including the Schedule of Federal Awards
- b. Current year Corrective Action Plan

If you have any question about the Single Audit Report or need further information, contact the Municipality's Finance Director, Mr. Edwin Lebrón González, or Internal Auditor Director, Mr. Daniel Redón Santiago, at (787) 757-2626 ext. 8490 or 8928, respectively or addressed to: Municipality of Carolina, Office of the Mayor, P.O. Box 8, Carolina, P.R. 00986-0008.

Cordially,


Edwin Lebrón González
Finance, Director

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COMMONWEALTH OF PUERTO RICO
Municipality of Carolina
Single Audit for the year ended June 30, 2009
Executive Summary

About the Single Audit

The Municipality of Carolina (“Municipality”) participates in series of federal financial assistance programs to address the necessities of its growing population of more than 200,000 residents. These programs have been audited according to the Single Audit Act of 1984, as amended, and the US Office of Management and Budget (OMB) Circular A-133. The Municipality has the following major and non-major programs to assist the needs of low-income and moderate –income citizens according to the federal grantors.

Federal Grantor

US Department of Housing and Urban Development

- Community Development Block Grant Program (CDBG), Entitlement Grant and Section 108 Loan Guarantees
- Section 8- Housing Choice Vouchers
- Housing Opportunities for Persons with Aids (HOPWA)
- HOME Investment Partnership Program
- Emergency Shelter Grant Program (ESG)
- Public and Indian Housing

US Department of Health and Human Services

- Head Start and Early Head Start Program
- Special Program for Elderly
- Child Care Development Block Grant
- Promoting Safe and Stable Families
- Family Violence Prevention and Services

US Department of Agriculture

- Nutrition Assistance for Puerto Rico
- Child and Adults Care Food Program

US Department of Justice

- Edward Byrne Memorial Formula Grant Program (Victims of Crime Act)

US Department of Labor

- Workforce Investment Act Programs (Adult, Youth and Dislocated Programs)

US Department of Homeland Security

- Homeland Security Program

US Department of Transportation

- Federal Transit-Formula Grants (Urbanized Area Formula Program)

COMMONWEALTH OF PUERTO RICO
Municipality of Carolina
Single Audit for the year ended June 30, 2009
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These programs were audited by Pannell Kerr Forster, LLP, an independent firm of certified public accountants. The audit is a requirement described in the OMB Circular A-133 that are applicable to each of the major federal programs for the year ended June 30, 2009.

The audit was performed for the purpose of forming an opinion on the Municipality's basic financial statement under the provision of GASB Statement 34 taken as a whole.

Auditors, examined on a test basis evidence about the Municipal's compliance with those requirements. According to the Summary of Auditor's Results, the internal controls over the major programs did not identify material weakness.

In their examination, the auditors have detected some findings, which were discussed with the corresponding program officials. The Municipality has made the proper corrective action plan in order to comply with the recommendations of auditors and with federal regulation and procedures.

Development of the Single Audit

The audit of the programs followed various steps to obtain proper responses from the Municipality Management.

- ❖ External auditors examined selected programs and cases at random to identify if the Municipality had complied with federal statute and regulations and had made correct use of funds according to norms, regulations and accepted accounting principles.
- ❖ Information and data was requested to Municipality officials to sustain the different accounting transactions, fund balances and allocations.
- ❖ A preliminary draft containing the supposed finding was remitted to the program officials for a management response.
- ❖ After receiving a management response an alleged finding, auditors cleared our upheld the finding. A management draft of finding was remitted to municipal officers.
- ❖ Municipal officer met with auditors to discuss finding and elaborated a management response.
- ❖ The audit report, management response and corrective action plan are submitted to federal authorities.

COMMONWEALTH OF PUERTO RICO
Municipality of Carolina
Single Audit for the year ended June 30, 2009
Executive Summary

Corrective Action Plan

In order to comply with federal regulations, the Municipality has the challenge to continue improvement the internal controls for the compliance with the regulations and laws.

Comments to the Single Audit for the year ended in June 30, 2009

The Municipality has made a corrective action plan for the Single Audit Report of the year ended on June 30, 2009. Enclose find the corrective action plan consisting of finding, management response and corrective action plan.

**COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2009**

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
US Department of Agriculture	Child and Adult Care Food Program Pass-through the Puerto Rico Department of Education	10.558	\$ 621,091
	Nutrition Assistance for Puerto Rico	10.566	119,121
US Department of Justice	Edward Byrne Memorial Formula Grant Program Pass-through the Puerto Rico Department of Justice	16.579	95,772
	Juvenile Justice and Delinquency Prevention Program through the Office of the Commissioner of the Municipal Affairs	16.540	73,435
US Department of Health and Human Services	Head Start and Early Head Start Grants	93.600	5,292,609
	Head Start Program Pass-through the Puerto Rico Department of the Family	93.600	1,422,747
	Child Care and Development Block Grant Pass- through the Puerto Rico Department of the Family	93.575	779,683
	Special Programs for Aging (Title III Part C), Nutrition services	93.045	260,037
	Promoting Safe and Stable Families Pass-through the Puerto Rico Department of the Family	93.556	65,014
US Department of Homeland Security	Homeland Security Grant Program Pass-through the Public Security Governor's Office	97.067	485,412
US Department of Housing and Urban Development	Community Development Block Grants /Entitlement Grants	14.218	4,444,629
	Emergency Shelter Grants Program	14.231	241,181
	Supportive Housing Program	14.235	289,959
	Home Investment Partnership Program	14.239	2,126,855
	Section 8 Housing Choice Vouchers	14.871	4,067,334
	Community Development Block Grants / Section 108 loan guarantees	14.248	5,014,691
	Public and Indian Housing Pass-through the Puerto Rico Public Housing Administration	14.850	1,563,110
	Housing Opportunities for Persons with aids Program Pass-through the Municipality of San Juan	14.241	104,826
	US Department of Transportation	Federal Transit – Formula Grants (Urbanized Area Formula Program)	20.507
US Department of Labor	Workforce Investment Act- Adult Program Pass- through the Puerto Rico Department of Labor	17.258	1,563,862
	Workforce Investment Act- Youth Activities Pass- through the Puerto Rico Department of Labor	17.259	1,661,114
	Workforce Investment Act- Dislocated Worker Pass- through the Puerto Rico Department of Labor	17.260	1,511,490
	Workforce Investment Act - Disability Program Navigator (DPN) Pass-through the Puerto Rico Department of Labor	17.266	19,278
	Total Expenditures		\$ 32,734,614

COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF CAROLINA
SINGLE AUDIT FOR THE YEAR ENDED JUNE 30, 2009

CORRECTIVE ACTION PLAN

FINDING	MANAGEMENT RESPONSE	CORRECTIVE ACTION PLAN
<p>Finding 2009-1 (Home Program)</p> <p>We requested the petitions of funds for a sample of transactions for the major program. The sample consisted of 24 items with a dollar value of \$77,178. After performing the cash management test, we noted the client didn't comply with this requirement.</p> <p>Criteria:</p> <p>31 CFR Section 205.11 (a) establishes that a State and a Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds.</p> <p>34 CFR Sections 80.20 (b) (2), (3) and (6) establish that grantees and sub grantees must maintain records that adequately identify the source and application of funds provided for financially assisted activities.</p>	<p>The Director of Municipal Housing's Department is going to implement periodic evaluation to ensure that cash disbursement process is in compliance with Federal Regulations.</p>	<p>The Director of Finance monitors cash flow needs on a weekly basis to cut off unused funds and to ensure that payment obligations can be met. Cash drawdown shall be made in conjunction with the accounts payable and payroll schedule, based on program needs. The Municipality of Carolina shall draw cash from the U.S. Treasury based on a computer listing of anticipated cash disbursements due to be paid within the next three days. In addition, the following schedule shall be completed to reconcile Federal cash on hand and to estimate the HOME program's needs for additional Federal funds:</p> <ul style="list-style-type: none"> + Federal cash drawn to date - YTD expenditures as of the end of the prior month = Subtotal (Estimated cash on hand today) - Estimated disbursements this week = Amount to be requested

COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF CAROLINA
SINGLE AUDIT FOR THE YEAR ENDED JUNE 30, 2009

CORRECTIVE ACTION PLAN

FINDING	MANAGEMENT RESPONSE	CORRECTIVE ACTION PLAN
<p>Finding 2009-2 (Head Start Program)</p> <p>In three cases, the acquisition date in the equipment record was the purchase order date.</p> <p>Criteria:</p> <p>OMB Circular A-110 Section 215.34 (f)(1)(v) states that the recipient's property management standards for equipment acquired with the Federal funds and federally-owned equipment shall include the acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.</p>	<p>By involuntary error, the three reported cases included the date of the purchase order instead the date of purchase in the property records. However, we will be reviewing and correcting this situation in the property records.</p>	<p>Municipality's Program Officials will be reviewing and correcting the recorded information to ensure that the acquisition dates and costs were based on the date that the equipments were received and the costs were those incurred and actually paid.</p>

ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL AUTÓNOMO DE CAROLINA

30 de marzo de 2010

Omar E. Negrón Judice
Comisionado
Oficina del Comisionado de Asuntos Municipales
P.O. Box 70167
San Juan, PR 00936-8167

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Estimado Comisionado:

Reciba un cordial saludo de todos los funcionarios y empleados municipales que laboran en nuestro Gobierno Municipal Autónomo de Carolina, Tierra de Gigantes.

Según solicitado, incluimos los informes de auditoría externa (mejor conocido como "Single Audit Report") correspondiente al año fiscal 2008-09:

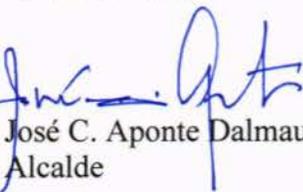
- Estados Financieros Auditados
- Single Audit Package
- Plan de Acción Correctiva

Estos informes constituyen el "Single Audit Report" del GMAC de acuerdo con lo establecido por las regulaciones federales. Los mismos se radicaron al "Federal Audit Clearinghouse" dentro del término establecido para esos fines.

Además, incluimos el Informe Especial sobre el cumplimiento con las recomendaciones de la Oficina del Contralor de Puerto Rico, y copia del contrato de auditoría ("Single Audit") para el año fiscal 2009-10.

Estamos a su disposición, para aclarar dudas sobre el particular. De necesitar información adicional, favor de comunicarse con el CPA Daniel Redón Santiago, Director de la Oficina de Auditoría Interna al teléfono (787) 757-2626 extensiones 8494 ó 8928.

Cordialmente,


José C. Aponte Dalmau
Alcalde

mm

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business advisers

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DE ASUNTOS MUNICIPALES

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12/04/2003

**MUNICIPIO AUTÓNOMO DE CAROLINA
ESTADO LIBRE ASOCIADO DE PUERTO RICO**

INFORME ESPECIAL SOBRE EL CUMPLIMIENTO
CON LAS RECOMENDACIONES DEL CONTRALOR
Y LA CORRECCIÓN DE FALLAS DOCUMENTADAS
EN EL INFORME DE AUDITORÍA M-07-14 DEL
10 DE OCTUBRE DE 2006

30 DE JUNIO DE 2009

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15 de enero de 2010

Honorable José C. Aponte Dalmau
Alcalde
Municipio Autónomo de Carolina
Estado Libre Asociado de Puerto Rico

Realizamos un examen, que incluyó la realización de aquellos procedimientos que consideramos necesarios, para expresar una opinión sobre el cumplimiento del Municipio Autónomo de Carolina (Municipio) con las recomendaciones del Contralor y la corrección de las fallas señaladas en el Informe de Auditoría M-07-14 del 10 de octubre de 2006. El mismo se efectuó a base de las disposiciones que se establecen en los artículos 7.010 y 8.016 de la Ley Núm. 81 del 30 de agosto de 1991, Ley de Municipios Autónomos del Estado Libre Asociado de Puerto Rico, según enmendada (Ley Núm. 81).

BASE LEGAL

La **Ley Núm. 334 del 2 de septiembre de 2000** enmendó el **Artículo 7.010 y 8.016 de la Ley Núm. 81 del 30 de agosto de 1991, (Ley de Municipios Autónomos del Estado Libre Asociado de Puerto Rico de 1991)**, según enmendada, para establecer que los auditores externos incluyan, en los informes que rindan sobre los estados financieros, su opinión sobre el cumplimiento con las recomendaciones de la Oficina del Contralor de Puerto Rico y la corrección de las fallas señaladas en sus informes previos.

ALCANCE Y METODOLOGÍA

El examen cubrió desde el 1 de julio de 2008 al 30 de junio de 2009 y se realizó de acuerdo con las normas de auditoría generalmente aceptadas promulgadas en las **Normas de Auditoría Gubernamental emitidas por el Contralor General de los Estados Unidos, el Manual de Normas de Auditoría del Contralor de Puerto Rico y el Instituto Americano de Contadores Públicos Autorizados**, en lo que concierne al cumplimiento con las recomendaciones y la corrección de las fallas señaladas en el **Informe de Auditoría M-07-14 del 10 de octubre de 2006**. Efectuamos las pruebas que consideramos necesarias de acuerdo con las circunstancias. Además, como parte de nuestro examen, asistimos el 27 de enero de 2010 a la orientación ofrecida por la Oficina del Contralor sobre el cumplimiento con las recomendaciones del Contrato y la corrección de las fallas señaladas en el **Informe de Auditoría M-07-14**.

INFORME DE LOS AUDITORES INDEPENDIENTES

Honorable José C. Aponte Dalmau
Alcalde
Municipio Autónomo de Carolina
Estado Libre Asociado de Puerto Rico

Hemos examinado el cumplimiento de la Rama Ejecutiva y la Rama Legislativa del Municipio Autónomo de Carolina (Municipio) con las recomendaciones del Contralor de Puerto Rico emitidas en su Informe M-07-14 del 10 de octubre de 2006. Los funcionarios de la Rama Ejecutiva y de la Legislatura Municipal son responsables del cumplimiento con el Plan de Acción Correctiva establecido para dichas recomendaciones. Nuestra responsabilidad es la de expresar una opinión sobre el cumplimiento del Municipio basado en nuestro examen para el año terminado el 30 de junio de 2009.

Nuestro examen fue realizado de acuerdo con las normas de atestiguamiento promulgadas por el Instituto Americano de Contadores Públicos Autorizados y, por lo tanto, incluyó examinar, a base de pruebas, la evidencia sobre el cumplimiento de las Ramas Ejecutiva y Legislativa Municipal con el Plan de Acción Correctiva que el Municipio estableció para cumplir con las recomendaciones de la Oficina del Contralor de Puerto Rico mencionadas en el segundo párrafo y efectuar aquellos otros procedimientos que consideremos necesarios según las circunstancias. Entendemos que nuestro examen provee una base razonable para nuestra opinión. Nuestro examen no provee una determinación legal sobre cumplimiento del Municipio con requerimientos específicos.

En el Anejo 1 se incluyen las recomendaciones de la Oficina del Contralor de Puerto Rico incluidas en el Informe mencionado en el primer párrafo, que han sido cumplimentadas o cumplimentadas parcialmente por la Rama Ejecutiva y Legislativa Municipal durante el año terminado el 30 de junio de 2009.

Honorable José C. Aponte Dalmau
Alcalde
Municipio Autónomo de Carolina
Estado Libre Asociado de Puerto Rico
Página 2

En nuestra opinión, la Rama Ejecutiva y Legislativa del Municipio de Carolina cumplió en todos los aspectos significativos, con el Plan de Acción Correctiva (PAC) que el Municipio estableció para cumplir con las recomendaciones de la Oficina del Contralor de Puerto Rico incluidas en su Informe M-07-14 del 10 de octubre de 2006, para el año terminado el 30 de junio de 2009.

2475602

*PKF, LLP*

Licencia No. 22
Expira el 1 de diciembre de 2010

15 de enero de 2010

CARTAS A LA GERENCIA

Los hallazgos de este Informe se sometieron al Alcalde para comentarios.

COMENTARIOS A LA GERENCIA

A la fecha de la emisión de este Informe, la carta del Alcalde sometiendo sus comentarios está en proceso y la misma será radicada en los próximos días.

AGRADECIMIENTO

A los funcionarios y empleados del Municipio de Carolina les agradecemos la cooperación que nos prestaron durante nuestro examen.

MUNICIPIO DE CAROLINA

Anejo 1

RECOMENDACIONES AL INFORME M-07-14 DEL 10 DE OCTUBRE DE 2006
30 de junio de 2009

Número de Hallazgo o Recomendación	Recomendaciones del Contralor	Estatus del Hallazgo	Comentario del Auditor Externo
Recomendación núm. 15	Ejercer una supervisión eficaz sobre las funciones del Director de Finanzas para asegurarse de que:		
(Hallazgo 11-b)	<ul style="list-style-type: none"> Mantenga bajo su custodia los comprobantes de desembolso y demás justificantes de los pagos efectuados con cargo a los fondos de los programas federales. 	Cumplimentada	<p>Observamos en el Plan de Acción Correctiva, que el Alcalde mediante una Orden Ejecutiva establece el traspaso de las funciones financieras y de contabilidad de todos los fondos federales al Departamento de Finanzas incluyendo la custodia de los comprobantes de desembolso con sus justificantes.</p> <p>Comenzando el año fiscal 2008-2009, los comprobantes de desembolsos y sus justificantes relacionados a programas federales, son custodiados por el Departamento de Finanzas.</p>
Recomendación núm. 19 (Hallazgo 13-f)	<ul style="list-style-type: none"> Asegurarse de que se corrijan las deficiencias relacionadas con el Registro de la Propiedad Inmueble y los documentos relacionados con los bienes inmuebles. 	Parcialmente cumplimentada	<p>Realizamos una muestra sobre activos inmuebles para determinar si la Oficina de Activos de Capital contaba con todos los documentos de apoyo con respecto a los activos inmuebles (escritura, certificaciones de título, estatus contributivo, etc.) y, excepto por falta de evidencia en aquellos casos en el cual cierta información sobre la inscripción o presentación de propiedades al Registro de la Propiedad a favor del Municipio, se encontraba en otras dependencias municipales, observamos que los demás documentos estaban en el expediente custodiado por dicha Oficina.</p>



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MUNICIPALITY OF CAROLINA

SINGLE AUDIT PACKAGE
Fiscal Year Ended
June 30, 2009

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INDEPENDENT AUDITORS' 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

Hon. José C. Aponte Dalmau and
Members of the Municipal Legislature of the
Commonwealth of Puerto Rico
Municipality of Carolina
Carolina, Puerto Rico

We have audited the basic financial statements of the Municipality of Carolina (the Municipality) as of and for the year ended June 30, 2009 and have issued our report thereon dated December 31, 2009. 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 of America.

Internal control over financial reporting

In planning and performing our audit, we considered the Municipality's internal control over financial reporting as a basis for designing our auditing procedures 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 Municipality's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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Accountants &
business advisers

Hon. José C. Aponte Dalmau and
Members of the Municipal Legislature of the
Commonwealth of Puerto Rico
Municipality of Carolina
Carolina, Puerto Rico
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free of 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 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Mayor, the Municipal Assembly, 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.



PKF, LLP

License No. 22
Expires on December 1, 2010

December 31, 2009

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

Hon. José C. Aponte Dalmau and
Members of the Municipal Legislature of the
Commonwealth of Puerto Rico
Municipality of Carolina
Carolina, Puerto Rico

Compliance

We have audited the compliance of the Municipality of Carolina (the Municipality) 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 each of its major federal programs for the year ended June 30, 2009. The Municipality's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Municipality's management. Our responsibility is to express an opinion on the Municipality'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 Non-Profit 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 Municipality'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 Municipality's compliance with those requirements.

In our opinion, Municipality of Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2.

Hon. José C. Aponte Dalmau and
Members of the Municipal Legislature of the
Commonwealth of Puerto Rico
Municipality of Carolina
Carolina, Puerto Rico
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ORIGINA DEL COMISIONADO
DE ASUNTOS MUNICIPALES

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Internal control over compliance

The management of the Municipality 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 Municipality'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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Hon. José C. Aponte Dalmau and
Members of the Municipal Legislature of the
Commonwealth of Puerto Rico
Municipality of Carolina
Carolina, Puerto Rico
Page 3

Schedule of expenditures of federal awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Municipality as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated December 31, 2009. Our audit was performed for the purpose of forming our opinion on the basic financial statements that collectively comprise the Municipality's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, the Municipal Assembly, 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.

2475627



March 26, 2010

PKF, LLP

License No. 22

Expires on December 1, 2010

MUNICIPALITY OF CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FISCAL YEAR ENDED JUNE 30, 2009

Section 1 - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- | | |
|--|----|
| 1. Material weakness identified? | No |
| 2. Significant deficiency(ies) identified that are not considered to be material weakness? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal awards:

Internal control over major programs:

- | | |
|---|-----|
| 1. Material weakness(es) identified? | No |
| 2. Significant deficiency(ies) that are not considered to be material weaknesses? | Yes |

Type of auditor's report issued on compliance for major program? Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)? Yes

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.850	Public and Indian Housing Pass-through the PR Public Housing Administration
93.600	Head Start
14.871	Section 8 Housing Choice Voucher
93.575	Child Care and Development Block Grant/ Pass-through the PR Department of Family
14.239	Home Investment Partnership Program
14.218	Community Development Block Grant/ Entitlement
97.067	Homeland Security Grant Program Pass-through the Public Security Governor's Office

WIA Cluster:

17.258	Workforce Investment Act Adult Program/ Pass-through the PR Department of Labor
17.259	Workforce Investment Act Youth Activities/ Pass-through the PR Department of Labor
17.260	Workforce Investment Act Dislocated Workers/ Pass-through the PR Department of Labor
17.266	Workforce Investment Act Disability Program Navigator (DPN) / Pass-through the PR Department of Labor

Dollar threshold used to distinguish between Type A and Type B programs: \$ 831,598

Auditee qualified as a low-risk auditee? No

MUNICIPALITY OF CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FISCAL YEAR ENDED JUNE 30, 2009

Section 2 - Financial statement Findings

No audit findings came to our attention that are required to be reported under *Government Auditing Standards*.

MUNICIPALITY OF CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FISCAL YEAR ENDED JUNE 30, 2009Section 3 - federal awards findingsFinding 2009-1

Program CFDA No. / Grant No.:	14.239 Home Investment Partnership Program
Type of Deficiency:	
Internal Control Over Financial Reporting:	
o Significant deficiencies	
o Material weakness	
Compliance and other Matters	
Compliance	X
Internal Control Over Compliance	X
Compliance Requirement Tested:	Cash Management
Questioned Cost:	None

Conditions:

To determine compliance with the cash management agreement, we requested the petitions of funds for a sample of transactions for the major program. The sample consisted of 24 items with a dollar value of \$77,178. After performing the cash management test, we noted the Municipality did not comply with this requirement.

Criteria:

31 CFR Section 205.11 (a) establishes that a State and a Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds.

34 CFR Sections 80.20 (b) (2), (3) and (6) establish that grantees and sub grantees must maintain records that adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or sub grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Effective control and accountability must be maintained for all grant and sub grant cash, real and personal property, and other assets. Accounting records must be supported by source documentation such as cancelled checks, paid bills, payroll time and attendance records, contract and sub grant award documents, etc.

MUNICIPALITY OF CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FISCAL YEAR ENDED JUNE 30, 2009

Cause:

Lack of supervision that ensure the compliance with the program's requirement.

Effect:

The Municipality may incur in an interest liability to the Federal Government from the day the Federal funds are credited to a state account to the day the State pays out the funds for program purposes.

Recommendations:

The Municipality should provide the proper supervision, in order to enforce the compliance with the internal controls. In addition, the Municipality must conduct periodic monitoring to ensure that the time elapsed between the receipt and use of the funds is minimal.

END FINDING NO. 2009-1

MUNICIPALITY OF CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FISCAL YEAR ENDED JUNE 30, 2009Finding 2009-2

Program CFDA No. / Grant No.:	93.600 Head Start
Type of Deficiency:	
Internal Control Over Financial Reporting:	
o Significant deficiencies	
o Material weakness	
Compliance and Other Matters	
Compliance	X
Internal Control Over Compliance	X
Compliance Requirement Tested:	Equipment and Real Property Management
Questioned Cost:	None

Conditions:

In testing the equipment additions, we found the following situation in three of the three additions examined:

- In three cases, the acquisition date in the equipment records was the purchase order date.

Criteria:

According to OMB circular A-110 § 215.34(f)(1)(v). The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include the acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.

Cause:

The Municipality's officers in-charge of the equipment do not perform effective procedures to recognize the equipment on the actual acquisition date.

Effect:

The Municipality is in non-compliance with certain requirements of OMB Circular A-133 and A-110. This non-compliance could expose the Municipality to possible sanctions by federal and local authorities.

MUNICIPALITY OF CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FISCAL YEAR ENDED JUNE 30, 2009

Recommendations:

The Municipality should recognize the equipment using the receiving or invoice date, to ensure that the information included in the equipment records is accurate.

END FINDING NO. 2009-2

MUNICIPALITY OF CAROLINA

REPORT ON THE STATUS OF UNCORRECTED MATERIAL FINDINGS AND
RECOMMENDATIONS FROM PRIOR AUDITS THAT AFFECT THE FINANCIAL STATEMENT
AUDITS AS REQUIRED BY GOVERNMENT AUDITING STANDARDS
YEAR ENDED JUNE 30, 2009

None

MUNICIPALITY OF CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Fiscal Year Ended June 30, 2009

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
US Department of Agriculture	Child and Adult Care Food Program Pass-through the Puerto Rico Department of Education	10.558	\$621,091
	Nutrition Assistance for Puerto Rico	10.566	119,121
US Department of Justice	Edward Byrne Memorial Formula Grant Program Pass- through the Puerto Rico Department of Justice	16.579	95,772
	Juvenile Justice and Delinquency Prevent Act Pass- Through the office of the Comissioner of the Municipal Affairs		73,435
US Department of Health and Human Services	Head Start and Early Head Start Grants	93.600	5,292,609
	Head Start Grant Pass-through the Puerto Rico Department of the Family	93.600	1,422,747
	Child Care and Development Block Grant Pass-through the Puerto Rico Department of the Family	93.575	779,683
	Special Programs for Aging (Title III Part C), Nutrition Services	93.045	260,037
	Promoting Safe and Stable Families Pass-through the Puerto Rico Department of the Family	93.556	65,014
	US Department of Homeland Security	Homeland Security Grant Program Pass-through the Public Security Governor's Office	97.067
US Department of Housing and Urban Development	Community Development Block Grants /Entitlement Grants	14.218	4,444,629
	Emergency Shelter Grants Program	14.231	241,181
	Home Investment Partnership Program	14.239	2,126,855
	Section 8 Housing Choice Vouchers	14.871	4,067,334
	Community Development Block Grants /Section 108 Loan Guarantees (98 & 99)	14.248	5,014,691
	Public and Indian Housing Pass-Through the Puerto Rico Public Housing Administration	14.850	1,563,110
	Housing Opportunities for Persons with AIDS Program Pass-through Municipality of San Juan (HOPWA Program)	14.241	104,826
	Supportive Housing Program/ Emergency Shelter Grant Program		289,959
US Department of Transportation	Federal Transit – Formula Grants (Urbanized Area Formula Program	20.507	911,364
US Department of Labor	Workforce Investment Act- Adult Program Pass-through the Puerto Rico Department of Labor	17.258	1,563,862
	Workforce Investment Act- Youth Activities Pass-through the Puerto Rico Department of Labor	17.259	1,661,114
	Workforce Investment Act- Dislocated Worker Pass- through the Puerto Rico Department of Labor	17.260	1,511,490
	Workforce Investment Act- Disability Program Navigator (DPN) Pass-through the Puerto Rico Department of Labor	17.266	19,278
Total Expenditures			\$32,734,614

MUNICIPALITY OF CAROLINA
 NOTES TO THE SCHEDULE OF
 EXPENDITURES OF FEDERAL AWARDS
 Fiscal Year Ended June 30, 2009

Note 1 - General

The accompanying schedule of expenditures of federal awards presents the expenditures, for the fiscal year ended June 30, 2009, of all the federal assisted programs of the Municipality of Carolina.

Note 2 - Accounting basis

The schedule was prepared following the modified accrual basis of accounting, which is further explained in note 1 of the basic financial statements of the Municipality of Carolina for the fiscal year ended June 30, 2009.

Note 3 - Subrecipients Entities (Funds provided)

During the fiscal year ended June 30, 2009, the Municipality provided the following federal funds to the following subrecipient entities:

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
US Department of Housing and Urban Development	Community Development Block Grant	14.218	\$162,039
	Emergency Shelter Grant	14.231	212,173
<hr/>			
Total			<u>\$ 374,212</u>

MUNICIPALITY OF CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AS REQUIRED BY OMB CIRCULAR A-133

Finding 2008-1

Conditions:

One contract without the Suspension and Debarment Certification and reviewing process in the Excluded Parties List System.

Audit Finding Status

Action was taken. All contracts evaluated during the current audit, include evidence that the contractor's eligibility in the Excluded Parties List System Website.

Finding 2008-2

Conditions:

In testing the Housing Quality Standards Enforcement procedures for failed HQS inspections, we found the following situation in eight of the thirty participant's files examined:

In eight cases, the inspection verifying the correction of deficiencies detected in housing unit was over 30 calendar days after the initial inspection date. The file does not have evidence of an approved time extension waiver.

Audit Finding Status

Corrective action was taken. The U.S. Department of Housing and Urban Development (HUD) cleared the condition on August 24, 2009.

Finding 2007-6

Condition:

The Financial, Project Expense and Accrued Expenses/Requisition Reports were submitted after the fifth day of the month before requesting the federal funds.

Audit Finding Status

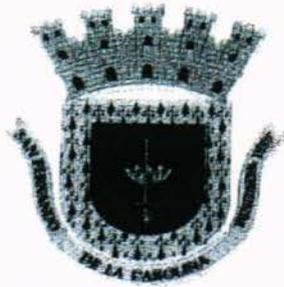
Partially corrected. During the evaluation of report test, one report submitted eight days before requesting the federal funds.

MUNICIPALITY OF CAROLINA
CORRECTIVE ACTION PLAN
FISCAL YEAR ENDED JUNE 30, 2009

Contact Persons:	Mr. Edwin Lebrón González - Director of Finance Daniel Redón, CPA – Director of Internal Audit
Phone number:	(787) 757-2626 extension 410
Fax:	(787) 276-0735

The Corrective Action Plan was prepared by the Municipality's management and is filed separately of this document.

COMMONWEALTH OF PUERTO RICO
AUTONOMOUS MUNICIPALITY OF CAROLINA
P.O. BOX 8
CAROLINA, PUERTO RICO 00986-008



**SINGLE AUDIT 2009
CORRECTIVE ACTION PLAN**



José C. Aponte Dalman
Mayor

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ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL AUTÓNOMO DE CAROLINA

March 26, 2010

Bureau of the Census
Single Audit Clearinghouse
1201 E. 10th St.
Jefferson Ville, IN 47132

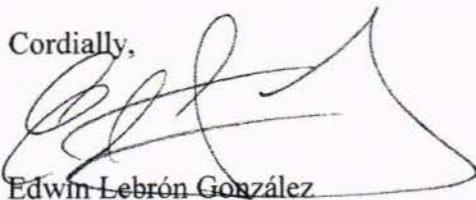
Single Audit Report of the Municipality of Carolina for the year ended June 30, 2009

The following are the Financial Statement under the new format prescribed by the provision of Government Accounting Standard Board Statement 34 (GASB 34) and the Single Audit Package, that represent the Single Audit Report of the Municipality of Carolina for the year ended June 30, 2009 as required by the Single audit Act of 1984, as amended. The following reports are included:

- a. The Single Audit Report, including the Schedule of Federal Awards
- b. Current year Corrective Action Plan

If you have any question about the Single Audit Report or need further information, contact the Municipality's Finance Director, Mr. Edwin Lebrón González, or Internal Auditor Director, Mr. Daniel Redón Santiago, at (787) 757-2626 ext. 8490 or 8928, respectively or addressed to: Municipality of Carolina, Office of the Mayor, P.O. Box 8, Carolina, P.R. 00986-0008.

Cordially,



Edwin Lebrón González
Finance, Director

mm

www.teleserviciogigante.com



COMMONWEALTH OF PUERTO RICO
Municipality of Carolina
Single Audit for the year ended June 30, 2009
Executive Summary

About the Single Audit

The Municipality of Carolina ("Municipality") participates in series of federal financial assistance programs to address the necessities of its growing population of more than 200,000 residents. These programs have been audited according to the Single Audit Act of 1984, as amended, and the US Office of Management and Budget (OMB) Circular A-133. The Municipality has the following major and non-major programs to assist the needs of low-income and moderate-income citizens according to the federal grantors.

Federal Grantor

US Department of Housing and Urban Development

- Community Development Block Grant Program (CDBG), Entitlement Grant and Section 108 Loan Guarantees
- Section 8- Housing Choice Vouchers
- Housing Opportunities for Persons with Aids (HOPWA)
- HOME Investment Partnership Program
- Emergency Shelter Grant Program (ESG)
- Public and Indian Housing

US Department of Health and Human Services

- Head Start and Early Head Start Program
- Special Program for Elderly
- Child Care Development Block Grant
- Promoting Safe and Stable Families
- Family Violence Prevention and Services

US Department of Agriculture

- Nutrition Assistance for Puerto Rico
- Child and Adults Care Food Program

US Department of Justice

- Edward Byrne Memorial Formula Grant Program (Victims of Crime Act)

US Department of Labor

- Workforce Investment Act Programs (Adult, Youth and Dislocated Programs)

US Department of Homeland Security

- Homeland Security Program

US Department of Transportation

- Federal Transit-Formula Grants (Urbanized Area Formula Program)

COMMONWEALTH OF PUERTO RICO
Municipality of Carolina
Single Audit for the year ended June 30, 2009
Executive Summary

These programs were audited by Pannell Kerr Forster, LLP, an independent firm of certified public accountants. The audit is a requirement described in the OMB Circular A-133 that are applicable to each of the major federal programs for the year ended June 30, 2009.

The audit was performed for the purpose of forming an opinion on the Municipality's basic financial statement under the provision of GASB Statement 34 taken as a whole.

Auditors, examined on a test basis evidence about the Municipal's compliance with those requirements. According to the Summary of Auditor's Results, the internal controls over the major programs did not identify material weakness.

In their examination, the auditors have detected some findings, which were discussed with the corresponding program officials. The Municipality has made the proper corrective action plan in order to comply with the recommendations of auditors and with federal regulation and procedures.

Development of the Single Audit

The audit of the programs followed various steps to obtain proper responses from the Municipality Management.

- ❖ External auditors examined selected programs and cases at random to identify if the Municipality had complied with federal statute and regulations and had made correct use of funds according to norms, regulations and accepted accounting principles.
- ❖ Information and data was requested to Municipality officials to sustain the different accounting transactions, fund balances and allocations.
- ❖ A preliminary draft containing the supposed finding was remitted to the program officials for a management response.
- ❖ After receiving a management response an alleged finding, auditors cleared our upheld the finding. A management draft of finding was remitted to municipal officers.
- ❖ Municipal officer met with auditors to discuss finding and elaborated a management response.
- ❖ The audit report, management response and corrective action plan are submitted to federal authorities.

COMMONWEALTH OF PUERTO RICO
Municipality of Carolina
Single Audit for the year ended June 30, 2009
Executive Summary

Corrective Action Plan

In order to comply with federal regulations, the Municipality has the challenge to continue improvement the internal controls for the compliance with the regulations and laws.

Comments to the Single Audit for the year ended in June 30, 2009

The Municipality has made a corrective action plan for the Single Audit Report of the year ended on June 30, 2009. Enclose find the corrective action plan consisting of finding, management response and corrective action plan.

**COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2009**

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
US Department of Agriculture	Child and Adult Care Food Program Pass-through the Puerto Rico Department of Education	10.558	\$ 621,091
	Nutrition Assistance for Puerto Rico	10.566	119,121
US Department of Justice	Edward Byrne Memorial Formula Grant Program Pass-through the Puerto Rico Department of Justice	16.579	95,772
	Juvenile Justice and Delinquency Prevention Program through the Office of the Commissioner of the Municipal Affairs	16.540	73,435
US Department of Health and Human Services	Head Start and Early Head Start Grants	93.600	5,292,609
	Head Start Program Pass-through the Puerto Rico Department of the Family	93.600	1,422,747
	Child Care and Development Block Grant Pass- through the Puerto Rico Department of the Family	93.575	779,683
	Special Programs for Aging (Title III Part C), Nutrition services	93.045	260,037
	Promoting Safe and Stable Families Pass-through the Puerto Rico Department of the Family	93.556	65,014
US Department of Homeland Security	Homeland Security Grant Program Pass-through the Public Security Governor's Office	97.067	485,412
US Department of Housing and Urban Development	Community Development Block Grants /Entitlement Grants	14.218	4,444,629
	Emergency Shelter Grants Program	14.231	241,181
	Supportive Housing Program	14.235	289,959
	Home Investment Partnership Program	14.239	2,126,855
	Section 8 Housing Choice Vouchers	14.871	4,067,334
	Community Development Block Grants / Section 108 loan guarantees	14.248	5,014,691
	Public and Indian Housing Pass-through the Puerto Rico Public Housing Administration	14.850	1,563,110
	Housing Opportunities for Persons with aids Program Pass-through the Municipality of San Juan	14.241	104,826
US Department of Transportation	Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	911,364
US Department of Labor	Workforce Investment Act- Adult Program Pass- through the Puerto Rico Department of Labor	17.258	1,563,862
	Workforce Investment Act- Youth Activities Pass- through the Puerto Rico Department of Labor	17.259	1,661,114
	Workforce Investment Act- Dislocated Worker Pass- through the Puerto Rico Department of Labor	17.260	1,511,490
	Workforce Investment Act - Disability Program Navigator (DPN) Pass-through the Puerto Rico Department of Labor	17.266	19,278
	Total Expenditures		\$ 32,734,614

COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF CAROLINA
SINGLE AUDIT FOR THE YEAR ENDED JUNE 30, 2009

CORRECTIVE ACTION PLAN

FINDING	MANAGEMENT RESPONSE	CORRECTIVE ACTION PLAN
<p>Finding 2009-1 (Home Program)</p> <p>We requested the petitions of funds for a sample of transactions for the major program. The sample consisted of 24 items with a dollar value of \$77,178. After performing the cash management test, we noted the client didn't comply with this requirement.</p> <p>Criteria:</p> <p>31 CFR Section 205.11 (a) establishes that a State and a Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds.</p> <p>34 CFR Sections 80.20 (b) (2), (3) and (6) establish that grantees and sub grantees must maintain records that adequately identify the source and application of funds provided for financially assisted activities.</p>	<p>The Director of Municipal Housing's Department is going to implement periodic evaluation to ensure that cash disbursement process is in compliance with Federal Regulations.</p>	<p>The Director of Finance monitors cash flow needs on a weekly basis to cut off unused funds and to ensure that payment obligations can be met. Cash drawdown shall be made in conjunction with the accounts payable and payroll schedule, based on program needs. The Municipality of Carolina shall draw cash from the U.S. Treasury based on a computer listing of anticipated cash disbursements due to be paid within the next three days. In addition, the following schedule shall be completed to reconcile Federal cash on hand and to estimate the HOME program's needs for additional Federal funds:</p> <ul style="list-style-type: none"> + Federal cash drawn to date - YTD expenditures as of the end of the prior month = Subtotal (Estimated cash on hand today) - Estimated disbursements this week = Amount to be requested

COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF CAROLINA
SINGLE AUDIT FOR THE YEAR ENDED JUNE 30, 2009

CORRECTIVE ACTION PLAN

FINDING	MANAGEMENT RESPONSE	CORRECTIVE ACTION PLAN
<p>Finding 2009-2 (Head Start Program)</p> <p>In three cases, the acquisition date in the equipment record was the purchase order date.</p> <p>Criteria:</p> <p>OMB Circular A-110 Section 215.34 (f)(1)(v) states that the recipient's property management standards for equipment acquired with the Federal funds and federally-owned equipment shall include the acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.</p>	<p>By involuntary error, the three reported cases included the date of the purchase order instead the date of purchase in the property records. However, we will be reviewing and correcting this situation in the property records.</p>	<p>Municipality's Program Officials will be reviewing and correcting the recorded information to ensure that the acquisition dates and costs were based on the date that the equipments were received and the costs were those incurred and actually paid.</p>