
FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



David A. Skeel, Jr.
Chair

Members
Ana J. Matosantos
Andrew G. Biggs
Justin Peterson

Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

October 14, 2020

Mr. Carlos R. Ruiz Cortes
Director
Musical Arts Corporation

Dear Mr. Ruiz Cortes:

In light of the public concern regarding the Puerto Rico Symphony Orchestra, the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”) would like to clarify the status of the Musical Arts Corporation’s budget.

On Monday, September 28, 2020 the Oversight Board met with representatives from the Symphonic Orchestra and Musical Arts Corporation budget personnel to discuss the payroll budget situation for the musicians. During the meeting, representatives from the Orchestra expressed their concerns over funding of musician’s salaries for FY21 and beyond, as the agency is projected to generate significantly less revenue from previous years due to current events. Without a clear outlook for future events for the Symphonic Orchestra, the agency will mostly depend on the general fund to operate and pay for musicians’ salaries.

When analyzing the information provided by Musical Arts Corporation budget personnel, including all bank accounts, Oversight Board personnel identified an account with a \$5M balance from prior year funds. We understand that these funds could be used to cover FY21 projected deficit and help fund Festival Casals if the Puerto Rico Tourism Company funds are not available. Budget personnel from the Musical Arts Corporation mentioned that the account could have restricted funds and agreed to confirm the status of these funds to the Oversight Board.

In the event that the Musical Arts Corporation does not generate the revenues projected for FY21, the agency after reviewing its operating cost structure and achieving the maximum possible savings by reducing expenditures, may submit a fund release request through OMB for the Oversight Board’s review and approval to have access to the previous year’s cash balances.

Mr. Ruiz Cortes
October 14, 2020
Page 2 of 2

We are, as always, available at your convenience to meet and discuss these issues. We look forward to continuing to work together for the benefit of the people of Puerto Rico.

Sincerely,



Natalie A. Jaresko

CC: Mr. Omar Marrero Díaz