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February 2, 2023

Board of Directors
Corporación del Centro de Bellas Artes de Puerto Rico
San Juan, Puerto Rico

In planning and performing our audit of the financial statements of the *Corporación del Centro de Bellas Artes de Puerto Rico* (a component unit of the Commonwealth of Puerto Rico) (the Corporation) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

Cash Reconciliations

We identified in one bank reconciliation checks outstanding over one year amounting to $28,096.82 as of June 30, 2021.

According to the Uniform Commercial Code, a comprehensive set of laws governing commercial exchanges in the United States, states that financial institutions are not required to accept checks with more than six months (180 days) old. We recommend that the Finance Department implement controls over each bank reconciliation process to address this issue.

Client Deposit

The Corporation maintains all client deposits information on a spreadsheet. The use of spreadsheets increases the risk of errors in the data used to prepare financial reports. This mechanism depends on manual updates instead of the automatic process provided by accounting software, which minimizes the risk of human errors if configured correctly. We recommend using the Corporation's accounting software's subsidiary feature for time maximization and information accuracy for financial reports preparation.

Deferred Income

Management could not provide an appropriate Schedule in order to accurately identify client deferred income balances as of June 30, 2021. We recommend that the Finance Director generate a subsidiary of all deferred income related to hall rents.

Box Office – Ticket Fee Reconciliation

The Corporation has a ticket system that accounts for tickets on-hand and sold during each event. However, the Corporation does not have controls to determine that payments and reports received from the service organizations, such as Ticket Center and Ticket Pop, are reconciled with the Tickets Report generated by their system. We recommend designing and implementing a process in which the box office personnel, in conjunction with the Finance Department, reconcile both reports to ascertain the completeness of their sales.

Procurement

From a sample of five disbursements related to maintenance and repairs selected to test compliance with the procurement laws and regulations we identified three instances in which no supporting documentation was available.

Information Technology

After reviewing the operating systems and hardware lists, we understand that the Corporation is at a high risk of potential cyberattacks increasing after the COVID-19 pandemic commenced in March 2020. We recommend evaluating and updating the software by assessing the vulnerability of each area to mitigate potential attacks.

This communication is intended solely for the information and use of management, board of directors, and others within the Corporation, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Crowe PR PSC

José Ole

José Penabaz
Assurance Leader