



State of Rhode Island

September 18, 2024

VIA ELECTRONIC MAIL ONLY

Mr. Daniel O. Parrillo, Town Manager
Mr. Robert J. Civetti, CPA, Finance Director
Town of Coventry
1670 Flat River Road
Coventry, RI 02816

Mr. Don Cowart, Superintendent
Mr. Christopher DeVerna, CPA, Director of Finance
Coventry Public Schools
1675 Flat River Road
Coventry, RI 02816

Gentlemen:

We are writing in response to the recent communication from the Coventry Public Schools (School) Director of Finance, dated September 10, 2024, providing a revised unaudited School Unrestricted Fund estimate of a cumulative \$5 million fund balance deficit for the fiscal year ended June 30, 2024.

The budget to actual 2 (quarter 3) reporting, required by Rhode Island General Law (RIGL) Section 45-12-22.2, submitted to the Division of Municipal Finance, projected a fiscal 2024 operating deficit (net change) for the School Unrestricted Fund of approximately \$822,000. That submission and deficit acknowledgement prompted our letter dated May 3, 2024. The recent communication from the School Director of Finance, dated September 10, 2024, substantially increases the projected fiscal 2024 operating deficit to approximately \$2.5 million.

We have significant concerns given the fiscal 2022 audited financial statements reported a higher-than-expected cumulative fund balance deficit, \$1,496,868, in the School Unrestricted Fund and the School is projecting unaudited operating deficits of approximately \$971,000 and \$2.5 million for the fiscal years ended June 30, 2023, and June 30, 2024, respectively.

Late audited financial statements combined with the inability to provide consistent and accurate unaudited financial reporting has rapidly resulted in a considerably more significant financial issue that must be promptly and comprehensively addressed. Formalized corrective action plans are required to be submitted to address and eliminate the School's known and projected deficits in accordance with RIGL Sections 16-2-9(f) and 45-12-22.2(e). To facilitate a comprehensive discussion, we are requesting an in-person meeting with Town, School, and State

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officials inclusive of representatives from the School Committee and Town Council. The objective of the meeting will be a dialogue on immediate actions needed to prevent further school operating deficits and the next steps in the Town and School's development of a corrective action plan to address the currently projected deficit. Our staff will contact you immediately to schedule a meeting.

Sincerely,



David A. Bergantino, CPA, CFE
Auditor General



Stephen E. Coleman, Jr.
Chief
Division of Municipal Finance

C: Joint Committee on Legislative Services
Thomas Verdi
Members of Coventry Town Council
Members of Coventry School Committee
Angélica Infante-Green
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Stephen J. Angell, Esq.
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