

The Coventry Town Council was recently notified by the Town Manager that the Coventry Public Schools' projected structural deficit has grown from \$4.7 million to \$5.8 million.

This alarming, seven-figure increase - as outlined in a letter from the school department's Finance Director - is attributed to the FY23 audit process and FY24 closing process, which included consolidating prior fund deficits and correcting the recording of Retiree Benefit Fund expense transactions in the Keystone accounting system.

The Coventry Town Council is deeply concerned about the persistent and escalating nature of this structural deficit. This issue highlights a troubling pattern of financial mismanagement and lack of control over the financial reporting processes within Coventry Public Schools dating back to before the COVID-19 pandemic.

The Council is particularly alarmed by the school department's inability to provide timely, complete, and accurate financial information, which has been a recurring problem over multiple years. This has led to a complete breakdown in the Council's ability to trust any financial information provided by Coventry Public Schools. The Council's role is limited to appropriating funds for the school department; it does not have the authority to manage or oversee how these funds are spent. Because of that, the Council must rely on the school department for accurate, timely and trustworthy information. As this most recent financial mis-statement shows, the Town Council and the residents they represent are not receiving the data required to allocate proper funding for other town services and infrastructure.

This ongoing financial instability within Coventry Public Schools undermines the overall fiscal health of the entire town, due to the fact that the school's budget accounts for more than two-thirds of the town's overall budget. The Council has worked diligently to ensure responsible budgeting, strategic investments, and to build cumulative surpluses for the town - particularly over the last two years - and it is disheartening to see these efforts threatened by the school department's fiscal mismanagement.

To address this critical issue, the Coventry Town Council emphasizes the need for the Coventry School Committee to acknowledge and rectify the significant management deficiencies within its administration. It is imperative that the School Committee takes immediate and decisive action to hold its leadership accountable for the ongoing managerial and financial reporting failures.

The Town Council is committed to collaborating with the Coventry School Committee to find a sustainable solution to this financial crisis. However, the primary responsibility for operational and fiscal management, including oversight of administrative staff and the effective use of funds from various sources, rests squarely with the Coventry School Committee.

The Coventry Town Council calls on the School Committee to demonstrate leadership and accountability in resolving this issue, with the future stability of both the school department and the entire town in mind. The Council is ready to support the Committee in taking the necessary steps to ensure a stable and transparent financial future for Coventry Public Schools.