



## Middletown Public Schools

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### Middletown, Rhode Island

*Rosemarie K. Kraeger*  
Superintendent of Schools

August 3, 2022

Mr. Paul M. Rodrigues  
President, Middletown Town Council  
350 East Main Road  
Middletown, RI 02842

Dear President Rodrigues:

This correspondence is intended to update you on the School Department's projected deficit. As of August 3, 2022, the Middletown Public Schools' (MPS) general operating fund is projecting an expenditure deficit of approximately \$1,935,000 (unaudited) for the 2021-2022 fiscal year.

Revenues are approximately \$100,000 higher than budgeted so the total projected deficit will reduce to approximately \$1,835,000. As you know, MPS projected a deficit of \$1.2 million in March 2022. Now that the year is almost complete, additional expenditures for substitutes, purchased services, including personal care attendants, professional services, other services, bus assistants and maintenance agreements for plumbing and HVAC resulted in higher than estimated expenditures at year end. The lines for transportation, electricity, and custodial supplies are similarly higher than projected in March 2022.

Additionally, there are "liability accounts" on the MPS balance sheet that show debit balances for medical and dental liabilities. These accounts still need to be reconciled fully, but currently show a cumulative balance of \$215,000, since 2017 and were never resolved in past audits. The auditors have not yet determined whether we will absorb this cost in FY22. The estimate above does not include these expenses. If MPS is required to record these cumulative expenses in FY22, the estimated deficit will increase to \$2,050,000.

We continue to refine the expenditures and reimbursements as we work toward finalizing FY22. We will be in contact with the Town Administrator to discuss the deficit reduction plan for the additional monies. Please do not hesitate to contact me if you have any questions or require additional information.

Very truly yours,

Theresa M. Spengler, Chair, Middletown School Committee

C: Middletown School Committee  
Rosemarie Kraeger, Superintendent of Schools  
Tee Gomes, Interim Business Manager  
Dina Dutremble  
Middletown Town Council  
Shawn Brown, Town Administrator  
Marc Tanguay, Finance Director  
Dennis E. Hoyle, CPA, Auditor General

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