



EXECUTIVE SUMMARY

LAKEWOOD PUBLIC SCHOOL DISTRICT

July 1, 2017 to June 30, 2018

We identified the following factors that contributed to the fiscal year 2018 deficit in the general fund unassigned fund balance.

- Significant and escalating expenditures paid for mandated transportation of nonpublic students sent to nonpublic schools
- Significant and escalating expenditures paid for tuition of special education students sent out of district to in-state approved private schools for students with disabilities
- A loan received that did not cover the projected deficit
- Budgetary controls and over-expenditures of funds
- Increased expenditures from the prior fiscal year
- A new expenditure not incurred in prior fiscal years

We recommended the district develop and operate within an approved balanced budget without the reliance on loans and noted that legislative action may be required to address the costs to provide mandated transportation and tuition for special education.

We also made the following observations.

- The district is not meeting certain efficiency standards set by the Department of Education
- The district required significant loans in the four subsequent years to balance budget deficits
- There was limited growth in the local tax levy and revenue from State Aid

AUDITEE RESPONSE

The district generally concurs with our findings and recommendations. Their response and accompanying exhibit contains information that was not subjected to any audit procedures, therefore we place no assurance on it.

For the complete audit report or to print this Executive Summary, click on the attached files.