

Save Indus had a forensic analysis conducted on Superintendent Jeremy Tammi's ("Tammi") March 8, 2023, report. The Forensic Analysis found that Tammi's analysis and resulting recommendation to close the Indus School "could not be relied upon." It further found that any decisions or actions based on Tammi's analysis would be fundamentally flawed and may lead to misguided outcomes, which in fact happened when the Northome School Board members voted to close the school on May 31, 2023. Based on the findings of the Forensic Analysis and the finding that Indus is in fact profitable, the School Board must immediately reconsider its decision to close the Indus School and keep it open.

To provide more detail, the forensic analysis found:

- 1) **Tammi's analysis of Enrollment data was inadequate** for its purpose, in that he failed to use available enrollment information to predict Northome, Indus or the District's future funding and could have used it to determine the profitability of both had he made the effort to do so.
- 2) Tammi's analysis of the 2023 revised budget has **numerous deficiencies**, in that it **failed to consider** multiple years of future budget, historical financial performance and actual revenue/expenditure figures. **Relying solely on hypothetical budget numbers** without adjustments or considerations of changing circumstances undermines the analysis validity. As a result, **Tammi's analysis did not provide sufficient information** to assess the financial viability of the district or its schools. **Tammi's analysis was flawed and inadequate** for assessing the district's financial viability.
- 3) Tammi's analysis of District expenditures by school was **incomplete, inaccurate, inadequate and irrelevant, and not reasonable** for determining the profitability of Northome and Indus School. Specifically,
  - a. Tammi's analysis relies solely on Fiscal Year 2021 data without considering multi-year trends or historical performance. One year alone does not provide a complete picture of a District's overall financial health. Arguably Tammi is "**cherry-picking**" **financial data to fit his narrative** and did not include other relevant financial data.
  - b. Tammi used a Statement of Change in Net Position instead of a Statement of Revenues, Expenditures and Fund Balance, **limiting the accuracy and understanding of the financial transactions** and both schools' financial health.
  - c. Tammi **failed to account** for non-cash and non-recurring items.
  - d. Tammi **incorrectly ("fatally") assumed** District-wide revenue represented individual school revenues, leading to flawed calculations of profit per student that are unusable to anyone's trying to assess Northome and Indus' financial viability. Tammi had the ability to separate out Northome and Indus revenue, as each school receives different amounts of funding per student. This information was and is publicly available from MDE, but he didn't.

The review also found that **Indus is in fact profitable**, and its enrollment only had a standard deviation of 0.1410 students between 2015 and 2021. Indus' standard deviation equates to a **very small level of volatility in the number of students enrolled**. Essentially what this means is that Indus enrollment was not drastically declining and Tammi's future enrollment prediction was unfounded.

What the Forensic Analysis shows is that Tammi is either so incompetent at his job that he does not know or understand the finances of the district, or he intentionally submitted a false report to the School Board and gave testimony to a Hearing officer that supported his (and others) desired outcome –

closing the Indus School by any means necessary. Under either of these scenarios, he should not be in his position and should either resign immediately or be removed.

Consider the following facts, to only name a few:

- 1) Four board members from Northome were voted in for the first time in the district's history starting in 2023. Prior to this, Indus and Northome schools were equally represented on the board.
- 2) In February 2023, the School Board reviewed information related to the 2023 budget. The adopted budget indicated a shortfall of roughly \$354,934 for the school district. The proposed revised budget indicated a shortfall of \$940,686. In contrast, the districts projected unassigned fund (reserves) balance for FY is 2.3 million. The Board was then asked to vote on a Resolution Directing the Administration to Make Recommendations Regarding the Reduction and/or Discontinuance of Programs and Positions and Reasons Therefore.
- 3) The immediately preceding board meeting held on March 8, 2023, Tammi presented four proposed options to reduce the budget based on his report. The four options included the following:
  - a. Option 1 – Reduce district staff by 4 paras (2 Indus; 2 Northome); eliminate band and choir (Indus and Northome); share 1 school nurse between schools; eliminate late rides for both schools; split superintendent position with neighboring district; eliminate Northome German Language Class. Estimated Savings \$410,000.
  - b. Option 2 – Eliminate all athletic programs (Indus and Northome); eliminate all district revenue dependent clubs and activities (Indus and Northome); eliminate 2 FT paras (1 Indus and 1 Northome); and share 1 school nurse between schools. Estimated Savings \$415,000.
  - c. Option 3 – Close Northome facility. Estimated Net Revenue - \$517,000.
  - d. Option 4 – Close Indus facility. Estimated Savings \$545,000.
- 4) Tammi unprecedentedly requested Sheriff presence prior to the board meeting evidencing prior intent to close the Indus school.
- 5) School Board Member Ralph Lewis moved to explore additional options. The motion was denied by majority vote.
- 6) Board member Scott Mai requested discussion of the options, but unprecedented, the Board pushed forward the vote.
- 7) The School Board voted to hold a public hearing to close the Indus School by majority 4 (Northome board members) -2 (Indus board members), which was supported only by Tammi's report.
- 8) In April 2023, the public hearing was held where the only witness was Tammi and his "analysis" to close the school.
- 9) In May 2023, at a special meeting, the board voted to close the Indus School after July 1, 2023, based on the Hearing Judges findings, which were based entirely on Tammi's report and testimony at the public hearing.

In conclusion, many requests were sent to Superintendent Tammi and Chairman Stueven for information such as the general ledger for the school district, and the School Board's plans for the Indus School building. No data or answers were given to specific questions that were asked repeatedly. This financial analysis report needs to be investigated and the School District needs to be transparent with their books and their plans. Where have funds been spent? How were expenses divided between the

two schools? Why does Tammi's March 8 report and public hearing testimony not stand up to expert analysis?

Our Indus School community deserves answers.

I.C.E.D. Indus Community Education Development