

Indus School

Forensic Accounting Report

CONFIDENTIAL

Development Theory LLC

Miranda Kishel

Certified Valuation Analyst

Certified Business Exit Consultant

June 5th, 2023

The information contained in this report is confidential. No part or all of the contents can be conveyed to the public without the prior written consent and approval of Development Theory, LLC. The information and analyses in this report are valid only for the stated purpose of this engagement, as described in further detail within this report.

Development Theory LLC

615 Main Street, Suite 105

Tower, MN 55790

Phone: 218.404.4877

Email: mmkishel@gmail.com

June 5th, 2023

Save Indus

Attn: [REDACTED]

123saveindus@gmail.com

Dear Save Indus:

Pursuant to your request and in accordance with our engagement arrangements, I have performed a forensic accounting analysis of the Indus School (the "School") that:

- Assessed the completeness, adequacy, accuracy, reliability, and relevance of Superintendent Jeremy Tammi ("Tammi")'s March 8, 2023 School Board Meeting report ("School Board Report") and Tammi's April 3, 2023 Public Hearing report,¹ regarding the School's alleged poor financial performance and potentially leading to its closure.
- Determined the School's profitability for the years 2018 through 2022 using assumptions provided to me by Client and/or authorized parties regarding sources of revenue and arrangements within ISD 363 for sharing expenses between the Northome and Indus schools.
- Compared the types and amounts of revenues, bonds, and/or other funds, including COVID-19 funds, received by the School during Tammi's tenure with those received under the tenure of past superintendents.
- Examined the nature and amounts of expenditures of the School in an attempt to identify any repeated patterns of alarming spending that could reasonably be indicative of financial mismanagement, embezzlement, or other irregularities.

Regarding the procedures performed as a part of this analysis, I have determined with a reasonable degree of accounting certainty that:

- Tammi's Reports are incomplete, inaccurate, inadequate, irrelevant, and unreasonable, and should not be relied upon to assess the financial viability of the District as a whole, the Northome School individually, or the Indus School individually.
- It could be argued that Tammi improved Indus' profitability and financial viability during his tenure.² As Indus had positive Adjusted Revenues Over (Under) Expenditures Per ADM

¹ It is my understanding and I have assumed based on conversations with Client and authorized parties that Tammi's School Board Report and Tammi's April 3, 2023 Public Hearing report are substantively the same. Therefore, my referrals to "Tammi's Reports" within my analysis refer to both reports, as I have been told they are one in the same.

² It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. I reserve the right to amend or supplement my report based on the availability of new information. An analysis of the

in 2020 and 2021, and a positive average during the full 2018-2021 period, this is a positive indication of Indus' long-term operational viability.

- Revenues tended to increase during Tammi's 2018-2021 tenure as compared to the periods analyzed prior to Tammi's appointment as Superintendent. However, factors such as the allocation of expenses between schools and the impact of capital expenditures require further examination to ensure a complete understanding of the District's financial position.
- Expenditures also tended to increase during Tammi's 2018-2021 tenure as compared to the periods analyzed prior to Tammi's appointment as Superintendent. However, coupled with the increase in revenues, the higher levels of expenditures do not pose an initial threat to the financial viability and operational profitability of either school or the District as a whole.

The accompanying report describes the information considered, the process of analysis that was followed, and my resulting professional opinions. This report also sets forth the special considerations, assumptions and limiting conditions pertinent to my analysis and, as such, is an integral component in understanding the analysis. This forensic accounting consulting report should not be distributed or circulated, quoted from, or cited in any manner that is not consistent with this purpose.

I am pleased to provide you with the accompanying report regarding this matter and appreciate the opportunity to be of service to you. If you have any questions regarding this report, please do not hesitate to contact me.

Sincerely,



Miranda Kishel, MBA, CVA, CBEC

Certified Valuation Analyst

Certified Business Exit Consultant

Forensic Accountant

Development Theory LLC

District's general ledger may or may not conclude that there were instances of financial mismanagement, embezzlement, or other irregularities. If this is the case, then any items consistent with financial mismanagement, embezzlement, or other irregularities would be removed from the appropriate Adjusted Revenues Over (Under) Expenditure conclusions. In such a case, Indus' financial viability would be even further improved.

Table of Contents

Introduction	5
Applicable Standards	5
Procedures Performed.....	5
Background.....	5
Assignment and Report Scope	5
Tammi's School Board Report.....	6
CAARR Approach	7
Tammi's Analysis of Enrollment Data	8
Tammi's Analysis of the Revised 2023 Budget	9
Tammi's Analysis of District Expenditures by School	11
Tammi's Presentation of Four Options.....	13
District #363, Northome, and Indus Profitability.....	15
Enrollment Data	15
Audit Reports	16
MDE Revenue and Expenditure Reports.....	19
Summary	30
Comparison of Revenues.....	33
Audit Reports	33
MDE Revenue and Expenditure Reports.....	33
Summary	35
Comparison of Expenditures	36
Audit Reports	36
MDE Expenditure Reports	36
Summary	38
Conclusion	39
Appendix	40
Qualifications.....	40
Exhibits	41

Introduction

This report summarizes my work to date pursuant to our engagement for forensic accounting services in connection with the Indus School. My work on the engagement has involved analysis of financial information and associated records based upon my accounting experience, professional credentials, and application of applicable accounting standards.

Applicable Standards

I have performed a consulting engagement and present my report in conformity with the Professional Standards of the National Association of Certified Valuators and Analysts (NACVA).

Procedures Performed

The procedures I performed for this engagement are broadly summarized as follows:

- To gain an understanding of the dispute and parties involved, I held discussions with [REDACTED] and conducted research using publicly-available news stories, School Board minutes, and other sources on the potential Indus School closure.
- I reviewed documents received from Client and authorized parties, including but not limited to audit reports, compliance reports, District #363 financial statements, and Indus financial statements.
- I conducted a search to find and obtain additional relevant documentation, including but not limited to Minnesota Department of Education (“MDE”) Revenue reports (including enrollment data), MDE Expenditure Reports, School Board Minutes, Supplemental School Board Meeting documentation, and Tammi’s March 8, 2023 School Board Report.
- I reviewed Tammi’s March 8, 2023 School Board Report and analyzed its analyses, data used, and conclusions rendered for completeness, accuracy, adequacy, relevancy, and reasonableness.
- I summarized the Audit Reports, MDE enrollment data, MDE Revenue reports, and MDE Expenditure reports in the attached Exhibits.
- I analyzed the Audit Reports, MDE enrollment data, MDE Revenue reports, and MDE Expenditure reports in the attached Exhibits.

Background

I have assumed and it is my understanding that Superintendent Tammi presented a financial analysis of the District, Northome, and Indus individually and collectively; the School Board for District #363 has recently voted to close the Indus School on the basis of a lack of financial viability; and Save Indus is attempting to challenge that allegation.

Assignment and Report Scope

Development Theory LLC (“Development Theory”) has been engaged to provide professional services to Save Indus in its attempt to challenge the financial analysis of the Indus School presented by Tammi at the March 8, 2023 School Board Meeting, which due to Tammi’s representations of poor financial performance, may potentially result in the closure of the school.

Tammi's School Board Report

I was asked to review and assess Superintendent Jeremy Tammi's ("Tammi") March 8, 2023 School Board Report ("Tammi's School Board Report") and Tammi's April 3, 2023 Public Hearing Report regarding the Indus School's (the "School") alleged poor financial performance, potentially leading to its closure.

I conducted a search on ISD 363's BoardBook site, which contains copies of its past minutes, agenda, and supplemental materials for school board meetings between August 2016 and April 2023 and was able to obtain a copy of Tammi's School Board Report.

I conducted a similar search on ISD 363's BoardBook site to attempt to find a copy of Tammi's April 3, 2023 Public Hearing Report, but was unsuccessful in doing so. I was told that Tammi's March 8, 2023 School Board Report and Tammi's April 3, 2023 Public Hearing Report are very similar, therefore, for the purpose of my review and assessment, I have assumed that the two reports presented by Tammi at the two referenced meetings contain similar information and findings.

I reviewed Tammi's School Board Report³ and note the following:

- Tammi's School Board Report contained information about the enrollment of the Indus and Northome Schools, broken out by resident enrollment and open enrollment, as of March 7, 2023.⁴
- Tammi's report included information on the revised 2023 budget and noted an anticipated deficit that (allegedly) would cause the District to be noncompliant with MN Statute 123B.83 Re: Statutory Operating Debt, defined in MN Statute 123B.81.⁵
- Tammi's report included the annual County Timber Revenue figures for fiscal years 2018 through 2023. Tammi emphasized a decline in 2021 and a partial rebound in 2022.⁶
- Tammi's report included information on district expenditures by fund and by district. Tammi implies that Indus spent \$26,335.90 per pupil in fiscal year 2021, Northome spent \$19,904.45 per pupil in fiscal year 2021, that Indus will spend \$28,625.97 per pupil in fiscal year 2023, and that Northome will spend \$20,239.92 per pupil in fiscal year 2023.⁷
- On the basis of the analyses included within the report, Tammi proposed four options for the board to choose between.⁸ These four options were (1) Reduce or eliminate various expenses of both Indus and Northome, (2) Reduce or eliminate a different set of various expenses of both Indus and Northome, (3) Close the Northome School, or (4) Close the Indus School.
- Tammi presents the Board approval process that would be necessary for either Option 3 or Option 4 and references MN Statute 123B.51 Re: Schoolhouses and Sites, Uses for School and Non-School Purposes, Closings.⁹

As a practitioner following the National Association of Certified Valuators and Analysts' recommendations for a forensic accounting engagement, I am not required to followed the

³ Tammi's School Board Report

⁴ Tammi's School Board Report, page 1.

⁵ Tammi's School Board Report, pages 2-3.

⁶ Tammi's School Board Report, page 3.

⁷ Tammi's School Board Report, pages 3-6.

⁸ Tammi's School Board Report, pages 7-8.

⁹ Tammi's School Board Report, pages 8-9.

Uniform Standards of Professional Appraisal Practice (“USPAP”) Standards in rebutting the written analysis or report of another. However, I have found that USPAP provides a nice framework for doing so, the “CAARR” framework, and have elected to reference that certain part of its guidance for the purpose of my review and assessment of Tammi’s School Board Report.

The 2020-2021 Uniform Standards of Professional Appraisal Practice, the effective date of which was extended through December 31, 2023,¹⁰ provides guidance in reviewing and assessing another’s work in Standards Rule 3-3: Appraisal Review Methods:

“Standards Rule 3-3: Appraisal Review Methods: In developing an appraisal review [or in this case, a review of a financial analysis], a reviewer must apply the methods and techniques that are necessary for credible assignment results.

- (a) *“When necessary for credible assignment results in the review of analyses, opinions, and conclusions, the reviewer must: develop an opinion as to whether the analyses are appropriate within the context of the requirements applicable to that work, develop an opinion as to whether the opinions and conclusions are credible within the context of the requirements applicable to that work, and develop the reasons for any disagreement. (Comment: Consistent with the reviewer’s scope of work, the reviewer is required to develop an opinion as to the completeness, accuracy, adequacy, relevance, and reasonableness [“CAARR”] of the analysis in the work under review, given law, regulations, or intended user requirements applicable to the work under review.)*
- (b) *“When necessary for credible assignment results in the review of a report, the reviewer must: develop an opinion as to whether the report is appropriate and not misleading within the context of the requirements to that work, and develop the reasons for any disagreement. (Comment: Consistent with the reviewer’s scope of work, the reviewer is required to develop an opinion as to the completeness, accuracy, adequacy, relevance, and reasonableness [“CAARR”] of the analysis in the work under review, given law, regulations, or intended user requirements applicable to that work.)”¹¹*

To my knowledge, Tammi was not required to follow USPAP standards when drafting Tammi’s School Board Report. To reiterate the importance of this and the relevance of USPAP within my own report, my review and assessment of Tammi’s School Board Report will not be on Tammi’s compliance with USPAP. My review and assessment of Tammi’s School Board Report will utilize the CAARR approach outlined within USPAP, to assess the completeness, accuracy, adequacy, relevance, and reasonableness of Tammi’s analyses presented within Tammi’s School Board Report.

CAARR Approach

USPAP’s CAARR Approach dictates that the reviewer of another’s work assess its analyses, opinions, and conclusions for completeness, accuracy, adequacy, relevancy, and reasonableness.

¹⁰ The Appraisal Foundation, “What is USPAP?” referenced on May 14, 2023, located at <https://www.appraisalfoundation.org/what-is-uspap/>

¹¹ USPAP 2020-2021 Edition, The Appraisal Foundation, page 27, located at <https://www.appraisalfoundation.org/2020-2021-uspap/>

- Completeness is defined as the quality or state of being without restriction, exception, or qualification.¹² Synonyms include entirety, thorough, and absolute.
- Accuracy is defined as the quality or state of being very accurate.¹³ Synonyms include precise and truthful.
- Adequacy is defined as the quality or state of meeting one’s needs.¹⁴ Synonyms include sufficient and satisfactory.
- Relevancy is defined as the fact or state of being pertinent.¹⁵ Synonyms include important, applicable, appropriate, and useful.
- Reasonableness is defined as the state of being logical or following the rules of logic.¹⁶ Synonyms include rational, justifiable, and well-grounded.

Tammi’s Analysis of Enrollment Data

Tammi’s School Board Report contained information about the enrollment of the Indus and Northome Schools as of March 7, 2023, broken out by resident enrollment and open enrollment and male versus female enrollment.¹⁷ It is assumed this information was included in order to compare the overall size of the Northome School and the overall size of the Indus School.

Completeness

Tammi’s School Board Report presented Northome and Indus enrollment data for one fiscal year. The ratio of Northome to Indus enrollment could have easily been determined, yet Tammi failed to do this. It is my understanding and I have assumed that the ratio of Northome to Indus enrollment may be used to allocate certain revenue sources and expenses to each of the schools. If that is the case, then an analysis of the ratio of Northome to Indus enrollment would be crucial if the profitability of both schools is to be accurately determined. **Tammi’s failure to perform an analysis of the ratio of Northome to Indus students leaves this portion of his School Board Report incomplete.**

Accuracy

Tammi’s School Board Report used enrollment data for resident students and open enrollment students and male versus female students as of March 7, 2023. Tammi’s numbers are not verifiable using publicly available Minnesota Department of Education (“MDE”) enrollment data. The MDE data splits enrollment between schools, not resident versus open enrollment. As of the date of this report, MDE enrollment data - referred to as Average Daily Membership (“ADM”) of the district and based upon attendance - was available through Fiscal Year 2021 and by school within the district.¹⁸ For those reasons, I cannot speak to the accuracy of Tammi’s enrollment numbers in his March 8, 2023 School Board Report.

¹² Merriam-Webster Online Dictionary, “Completeness,” located at <https://www.merriam-webster.com/thesaurus/completeness>

¹³ Merriam-Webster Online Dictionary, “Accuracy,” located at <https://www.merriam-webster.com/thesaurus/accuracy>

¹⁴ Merriam-Webster Online Dictionary, “Adequacy,” located at <https://www.merriam-webster.com/thesaurus/adequacy>

¹⁵ Merriam-Webster Online Dictionary, “Relevancy,” located at <https://www.merriam-webster.com/thesaurus/relevancy>

¹⁶ Merriam-Webster Online Dictionary, “Reasonable,” located at <https://www.merriam-webster.com/thesaurus/reasonable>

¹⁷ Tammi’s School Board Report, page 1.

¹⁸ See: <https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=81>

Adequacy

Tammi's School Board Report used enrollment data for one fiscal year. Assuming the enrollment information was included in order to compare the size of the Northome School and the Indus School, one year of enrollment data would be sufficient. However, it could be argued that a more meaningful analysis would have compared the enrollment trends of Northome, the enrollment trends of Indus, and the enrollment trends of the District as a whole over time. This more thorough analysis would have provided a better long-term picture of one aspect of the District's financial health, as enrollment ADM directly correlates with the amount of MDE funding received.

Relevancy

Given that Tammi's School Board Report does not apply his March 7, 2023 enrollment statistics to 2023 revenue or expenditure data, it could be argued that his 2023 enrollment data is not relevant to the other analyses within Tammi's School Board Report.

Tammi's School Board Report analyzes resident versus open enrollment and male versus female enrollment for both the Northome and Indus Schools. **As the MDE funding formula is not related to resident versus open enrollment or the students' genders, Tammi's provided irrelevant information.**

Reasonableness

In an analysis of a school's financial viability, it is reasonable to include information on the school's enrollment. Enrollment information directly correlates with MDE funding and can be a useful predictor of future financial performance. Tammi's inclusion of total Northome and Indus enrollment data was reasonable.

Summary of Tammi's Analysis of Enrollment Data

Overall, Tammi's analysis of Northome and Indus' enrollment, as of March 7, 2023, broken out by resident versus open enrollment and male versus female enrollment was incomplete, unable to be verified, inadequate for its purpose, and contained irrelevant information. However, Tammi's inclusion of an analysis of the District's enrollment by school was (in theory) reasonable to include, as the information could have been used to predict Northome, Indus, or the District's future funding and could have been used to determine the profitability of both schools assuming an allocation of certain revenues and expenses by enrollment ratios had Tammi made the effort to do so.

Tammi's Analysis of the Revised 2023 Budget

Tammi's report included information on the revised 2023 budget and noted an anticipated deficit that (allegedly) would cause the District to be noncompliant with MN Statute 123B.83 Re: Statutory Operating Debt, defined in MN Statute 123B.81.¹⁹

Tammi's School Board Report alleges that, according to the Revised Budget, the District's General Fund will have a deficit (expenditures higher than revenues) of \$856,668 in Fiscal Year 2023. Tammi notes that of the \$856,668 budget deficit, \$464,884 was related to the payoff of the remaining balance of a roofing project. Tammi notes that the budget deficit excluding the roofing project is anticipated to be \$391,784 in Fiscal Year 2023.²⁰ Tammi then compares the

¹⁹ Tammi's School Board Report, pages 2-3.

²⁰ Tammi's School Board Report, page 2.

Revised Budget deficit excluding the roofing project to the deficit from a prior version of the budget.

Completeness

Tammi's School Board Report alleges that the District is at risk of violating SOD requirements by assuming the Fiscal Year 2023 budget would continue into perpetuity. The correct and prudent way to perform an analysis to estimate if and/or when a school would be at risk of violating its SOD requirements would be to review multiple years of future budgets, each individually created to represent the expected financial performance of their particular year, and determine if the particular sequence of budgets (as a whole) would indicate a potential issue with the SOD requirement. If such a potential issue would be found, the benefit of conducting the budget analysis would be that there would be several years to work to address any budgetary issues well before there would be a problem with the SOD requirement. Tammi's School Board Report alleges an issue with the District's financial performance, but its incompleteness in its analysis does not provide sufficient information for the Board to make an informed decision.

Accuracy

If we assume the purpose of Tammi's Analysis of the Revised 2023 Budget is to determine whether the District or either of its schools are financially viable, then Tammi's analysis would have to be judged on its ability to come to an accurate conclusion on that matter. The most accurate way to determine the profitability of any venture, including a school, would include consideration of its historical performance. Tammi's sole reliance on hypothetical budget numbers gives zero consideration to the District's past financial performance. If it did, Tammi would have found that the District's historic profitability does not indicate any future issue with profitability.

Adequacy

Again, assuming the purpose of Tammi's Analysis of the Revised 2023 Budget is to determine whether the District or either of its schools are financially viable, an analysis of its budget would not provide adequate information in which to make an informed decision on that matter. Budgets, by nature, are hypothetical. While they are created with the intention of trying to accurately predict future revenues and expenditures, there are inherent uncertainties and assumptions involved in financial projections. Relying solely on a budget analysis cannot provide a comprehensive understanding of the financial viability of the District or its schools. Therefore, Tammi's analysis is inadequate for its assumed purpose.

Relevancy

In colloquial terms, what Tammi is saying in his analysis of the budget deficit is "When we look at the hypothetical budget numbers, which include some large one-time items not related to the day-to-day operations of a school, and compare it to our rough draft budget from last year, we are expecting much higher losses. Even without those large one-time items, we are still expecting much higher losses than we did in our first draft of the budget."

Tammi's analysis of the Fiscal Year 2023 budget does not reference any actual 2023 revenue or expenditure figures. Tammi's analysis does not include a comparison of actual year-to-date Fiscal Year 2023 figures compared to either budget. Tammi's comparison of the Fiscal Year 2023 Revised Budget to a prior version of the budget is a useless analysis. It serves no purpose in determining whether the District or either of its individual schools is financially viable.

Reasonableness

Making Tammi's analysis even worse, Tammi uses this analysis of the Fiscal Year 2023 budget to project a future point in time when the District would allegedly be in violation of Minnesota Statutes 123B.83 and 123B.81, regarding Statutory Operating Debt ("SOD") levels.

Again, what Tammi is saying, is "If we assume that our Fiscal Year 2023 budget is accurate and will apply equally as well in Fiscal Years 2024, 2025, 2026, 2027, and 2028 without any edits for changes in revenues or expenditures over those years, and assuming that the District continues to have large one-time expenses every year, then our budget deficit will cause our District will be broke sometime in the 2027-2028 school year."

Tammi's School Board Report is not rational as it is based on the poor assumption that hypothetical budgetary numbers will continue indefinitely.

Summary of Tammi's Analysis of the Revised 2023 Budget

There are numerous deficiencies in Tammi's Analysis of the Revised 2023 Budget. His analysis lacks completeness, accuracy, adequacy, relevancy, and reasonableness. It fails to consider multiple years of future budgets, historical financial performance, and actual revenue/expenditure figures.

Relying solely on hypothetical budget numbers without adjustments or consideration of changing circumstances undermines the analysis's validity. As a result, Tammi's analysis does not provide sufficient information to assess the financial viability of the District or its schools. To make an informed decision, additional information and a comprehensive evaluation that includes factors such as revenue sources, expenditure patterns, reserves, debt obligations, enrollment trends, and long-term financial planning are necessary.

Tammi's analysis is flawed and inadequate for assessing the District's financial viability. It lacks important elements, overlooks historical performance, relies solely on hypothetical numbers, disregards actual figures, and makes unreasonable assumptions about the future.

Tammi's Analysis of District Expenditures by School

Tammi's report included information on Northome and Indus expenditures in their entirety in Fiscal Year 2021 and per student in Fiscal Year 2021.²¹ Tammi's School Board Report alleges that Northome's 2021 expenditures per student were \$19,904.45, alleged Indus' 2021 expenditures per student were \$26,335.90, alleged Northome's 2021 revenues per student were \$23,075, and alleged Indus' 2021 revenues per student were \$23,075. According to Tammi's School Board Report, Northome reported a profit of \$3,170.55 per student in 2021, whereas Indus incurred losses of \$3,260.09 per student during the same period.²²

Completeness

Tammi relies solely on Fiscal Year 2021 data, instead of showing multi-year trends of revenues, expenditures, and profit per student. This provides a misleading picture of Northome and Indus' long-term financial health. Even if Tammi's revenue, expenditure, and profitability figures in his District Expenditures by School analysis were accurate (discussed in detail in the next

²¹ Tammi's School Board Report, pages 3-7.

²² Tammi's School Board Report, page 6.

section), one year alone does not provide a complete picture of the District's overall financial health.

It could be argued that Tammi is "cherry-picking" financial data to fit his narrative and is not including other relevant financial data. In his School Board Report, Tammi even directly states "This is excluding \$167,168 received in [Fiscal Year 2021] Federal COVID-19 relief dollars"²³ and "I chose to use [Fiscal Year 2021] instead of [Fiscal Year 2022] because the ESSER revenue was much greater in FY22 (\$854,344) versus FY21 (\$167,168)."²⁴

Accuracy

Tammi's utilizes the Fiscal Year 2021 Statement of Change in Net Position in his analysis of District Expenditures by School. Using a Statement of Change in Net Position instead of a Statement of Revenues, Expenditures, and Fund Balances limits the analysis' ability to assess the detailed revenue and expenditure streams, understand the specific nature of financial transactions, and evaluate the impact on different fund balances. Tammi's use of the Statement of Change in Net Position hinders a comprehensive analysis of a school's financial viability and provides a less accurate representation of the District's financial position and performance.

Tammi relies on expenditure figures he compiled himself²⁵ that I could not successfully trace to any supporting documentation provided to me. To conduct my own analysis of the District's profitability, I was provided various audit reports and MDE public revenue and expenditure reports. In conducting a financial analysis, audited financial information is typically given preference to unaudited, unverified, and cherry-picked financial data.

Adequacy

It is assumed Tammi's Analysis of District Expenditures by School is meant to provide information on Northome and Indus' profitability. However, Tammi's analysis is inadequate for this purpose.

Tammi's analysis relies on incomplete and likely inaccurate data. Tammi's analysis only considers Fiscal Year 2021 figures without examining multiple years or historical trends. Furthermore, Tammi's use of a Statement of Changes in Net Position instead of a Statement of Revenues, Expenditures, and Fund Balances overlooks crucial details and nuances in the financial performance of the schools. Additionally, the report fails to account for non-cash and non-recurring items. Tammi fatally assumes District-wide revenues representing individual school revenues; this leads Tammi to flawed calculations of profit per student. Overall, these limitations undermine the accuracy and reliability of Tammi's analysis, rendering it inadequate for determining the profitability of Northome and Indus.

Relevancy

Tammi's Analysis of District Expenditures by School primarily focuses on expenditures and per student profitability without providing a comprehensive evaluation of revenue sources, making it incomplete and one-sided. Tammi's analysis falls short in providing relevant and accurate insights into the profitability of Northome and Indus, rendering it irrelevant for its assumed intended purpose.

²³ Tammi's School Board Report, page 4.

²⁴ Tammi's School Board Report, page 4.

²⁵ Tammi's School Board Report, pages 4-5.

Reasonableness

It is my understanding and I have assumed based on conversations with Client and authorized parties that both Northome and Indus each receive various sources of funding in differing amounts, much of which is based on enrollment and some of which is based on geography. Then, it would also be reasonable to also assume that Northome and Indus receive different amounts of revenue per student.

In his analysis, Tammi assumes that his inaccurate District-wide revenue figure applies equally to every student in the District, regardless of whether the revenues stemmed from Northome or Indus funding sources. Had Tammi tried to separate Northome and Indus revenues, as is possible with a review of publicly-available MDE revenue information, Tammi would have found that Northome and Indus receive different amounts of funding per student. Therefore, his conclusion that Indus incurred losses of \$3,260.09 per student in Fiscal Year 2021 is not accurate.

Summary of Tammi's Analysis of District Expenditures by School

Tammi's Analysis of District Expenditures by School is incomplete, inaccurate, inadequate, and irrelevant, and not reasonable for determining the profitability of Northome and Indus schools.

Tammi's analysis relies solely on Fiscal Year 2021 data without considering multi-year trends or historical performance. Tammi uses a Statement of Change in Net Position instead of a Statement of Revenues, Expenditures, and Fund Balances, limiting the accuracy and understanding of the financial transactions and both schools' financial health. Tammi fails to account for non-cash and non-recurring items. Tammi incorrectly assumes District-wide revenues represent individual school revenues, leading to flawed calculations of profit per student that are unusable to anyone trying to assess Northome and Indus' financial viability.

Tammi's Presentation of Four Options

In his School Board Report, Tammi presents four options for the School Board to consider:

- Option 1: Reduce District staffing by four paraprofessional positions, eliminate the choir and band programs, share one school nurse between Northome and Indus, eliminate late rides, split the Superintendent position with a neighboring district, and eliminate German classes. Tammi alleges this option will save \$410,000.²⁶
- Option 2: Eliminate all athletic programs, eliminate all revenue-dependent clubs and activities, eliminate two paraprofessional positions, and share one school nurse between Northome and Indus. Tammi alleges this option will save \$415,000.²⁷
- Option 3: Close Northome Facility. Tammi alleges this will cost the District \$517,000 in revenue.²⁸
- Option 4: Close Indus Facility. Tammi alleges this will save \$545,000.²⁹

Summary of Tammi's Analysis of District Expenditures by School

Tammi's options are proposed as potential responses to the purported financial challenges encountered by the District. However, the analyses provided in Tammi's School Board Report, which lead to his recommendation of one of the four options, exhibit several deficiencies that

²⁶ Tammi's School Board Report, page 7.

²⁷ Tammi's School Board Report, page 7.

²⁸ Tammi's School Board Report, page 7.

²⁹ Tammi's School Board Report, page 8.

undermine their reliability. These shortcomings make the analyses incomplete, inaccurate, inadequate, irrelevant, and unreasonable.

First, Tammi's discussion on enrollment data is deemed incomplete and inaccurate, raising doubts about the reliability of the underlying information. His analysis of the Revised 2023 Budget, comparing it to the first draft, is insufficient and fails to consider the complexities of budgeting and the uncertainties associated with financial projections.

Moreover, Tammi's projection that the 2023 budget would continue unchanged for four and a half years, leading to a SOD issue, is unrealistic and unreasonable. His analysis of the budget lacks completeness, accuracy, relevance, and adequacy, failing to provide a comprehensive understanding of the District's financial situation. Similarly, Tammi's analysis of District Expenditures by School, including profitability per student at Northome and Indus, is riddled with inaccuracies, lacks completeness, and is irrelevant to the determination of the schools' profitability.

Given these multiple deficiencies throughout Tammi's analysis, his resulting recommendations cannot be relied upon. The incomplete, inaccurate, inadequate, irrelevant, and unreasonable nature of his analysis undermines the credibility and validity of his findings and conclusions. Any decisions or actions based on Tammi's analysis would be fundamentally flawed and may lead to misguided outcomes.

District #363, Northome, and Indus Profitability

I was asked to determine the Indus School's profitability for the years 2018 through 2022 using assumptions provided to me by Client and/or their authorized representatives regarding sources of revenue and arrangements within ISD 363 for sharing expenses between the Northome and Indus schools.

Due to the quantity and sufficiency of information publicly available and provided to me by Client and authorized parties, I was able to determine Indus, Northome, and the District's profitability. In addition, I was able to expand certain portions of my analysis beyond 2018 through 2022.

To determine Indus, Northome, and the District's profitability, I analyzed enrollment data, audit reports, and publicly available MDE revenue and expenditure reports. Full copies of my analyses are included as exhibits to this report.

Enrollment Data

In Exhibit 1: Student Count by School by Fiscal Year (attached to the end of this report), I summarized average daily membership³⁰ enrollment data for Indus Elementary, Indus Secondary, Northome Elementary, Northome Secondary, and "Other,"³¹ as represented within the publicly-available MDE Revenues-District/Site Level Reports for 2015, 2016, 2017, 2018, 2019, 2020, and 2021. I subtotaled the publicly-available enrollment data for both Indus identifiers and both Northome identifiers.

- I found the Indus School - including both Elementary and Secondary - had total enrollment of 123.27 in 2015, 89.33 in 2016, 96.26 in 2017, 108.96 in 2018, 102.98 in 2019, 102.38 in 2020, and 101.66 in 2021.
- I found the Northome School - including both Elementary and Secondary - had total enrollment of 206.67 in 2015, 178.32 in 2016, 184.51 in 2017, 171.71 in 2018, 189.56 in 2019, 186.53 in 2020, and 180.17 in 2021.
- I found the whole District - including Indus, Northome, and "Other" - had total enrollment of 330.94 in 2015, 270.57 in 2016, 286.45 in 2017, 284.84 in 2018, 295.10 in 2019, 291.74 in 2020, and 281.99 in 2021.

In Exhibit 2: Statistical Analysis of Student Count (attached to the end of this report), I calculated the volatility of Indus, Northome, and the whole District's enrollment numbers using standard deviation.

Standard deviation serves as a statistical measure that quantifies the extent to which data points deviate from the average or mean value. In the context of enrollment data, a higher standard deviation indicates significant fluctuations in student numbers, reflecting instability or unpredictability in the enrollment patterns. This volatility can have implications for resource

³⁰ Average Daily Membership ("ADM") is based on both the number of students and the attendance of the students. Within this report, it is used synonymously with "enrollment," as it is the metric used to determine enrollment-based MDE funding. See: <https://www.mde.state.mn.us/mde/programs/education/average-daily-membership-adm>

³¹ Within the MDE Revenues Reports, information was provided for "Other" site levels at the amounts indicated in Exhibit 1. This impacted the District-wide enrollment count, but not the Indus and Northome enrollment subtotals.

allocation, staffing, budgeting, and overall planning within educational institutions. Understanding and considering the standard deviation of enrollment data helps stakeholders gauge the level of fluctuation and adapt their strategies accordingly to accommodate the changing student population. I calculated the standard deviation of Indus, Northome, and the whole District's enrollment numbers:

- I found Indus' enrollment had a standard deviation of 0.1410 students between 2015 and 2021. Compared to Northome and the District as a whole, Indus' enrollment is more volatile.
- I found Northome's enrollment had a standard deviation of 0.0834 students between 2015 and 2021. Compared to Indus and the District as a whole, Northome's enrollment is less volatile.
- I found the whole District's enrollment had a standard deviation of 0.0850 students between 2015 and 2021. Compared to Indus, the whole District's enrollment is less volatile. Compared to Northome, the whole District's enrollment is more volatile.

It should be noted that while Indus has the highest standard deviation in enrollment, overall, it still equates to a very small level of volatility in number of students enrolled.

In Exhibit 3: Common Size Analysis of Student Count by School by Fiscal Year (attached to the end of this report), I calculated the ratio of Indus Elementary to Indus Secondary students, Northome Elementary to Northome Secondary students, and Indus to Northome students. This analysis provides information on the relative sizes of the two schools within the District and is a critical component of estimating the ratio of shared expenses between the two schools in the District in later analyses.

- Excluding the classification of "Other" students, as a percentage of total District enrollment, Indus' enrollment was 37.36% in 2015, 33.38% in 2016, 34.28% in 2017, 38.82% in 2018, 35.20% in 2019, 35.44% in 2020, and 36.07% in 2021.
- Excluding the classification of "Other" students, as a percentage of total District enrollment, Northome's enrollment was 62.64% in 2015, 66.62% in 2016, 65.72% in 2017, 61.18% in 2018, 64.80% in 2019, 64.56% in 2020, and 63.93% in 2021.

Audit Reports

Horizontal Analysis

In Exhibit 4: Audited Statements of Combined Revenues, Expenditures, and Fund Balances by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of the District's 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 audited Statements of Revenues, Expenditures, and Fund Balances.³²

A horizontal analysis involves reviewing and comparing selected financial statements over consecutive periods (typically years). By examining the financial data over time, horizontal analysis helps identify patterns, trends, and changes in financial performance and position. It enables analysts to assess the growth or decline of key financial metrics, such as revenues, expenses, assets, liabilities, and profitability ratios, and evaluate the company's financial stability and progress over the years. Horizontal analysis is a valuable tool for understanding a company's historical performance and making informed decisions based on long-term trends and patterns in its financial statements.

³² 2013 and 2015 Audit Reports were not available to me.

In my horizontal analysis of the District, I note:

- Total District Revenues were assigned to the General Fund, Debt Service Fund, Building Fund, Nonmajor Governmental Fund, and Other Governmental Fund.
- Total District Revenues were \$6,565,342 in 2012; \$6,279,197 in 2014; \$5,698,192 in 2016; \$5,624,820 in 2017; \$6,144,788 in 2018; \$6,301,568 in 2019; \$6,563,379 in 2020; \$6,478,831 in 2021; and \$7,533,672 in 2022.
- The average annual Total District Revenues for the entire period analyzed³³ was \$6,354,421. The average annual Total District Revenues during Tammi's 2018 to 2022 tenure was \$6,604,448. The average annual Total District Revenues prior to Tammi's tenure³⁴ was \$6,041,888.
- Total District Expenditures were assigned to the General Fund, Debt Service Fund, Building Fund, Nonmajor Governmental Fund, and Other Governmental Fund.
- Total District Expenditures were \$6,442,117 in 2012; \$6,704,075 in 2014; \$5,885,518 in 2016; \$5,764,034 in 2017; \$6,246,831 in 2018; \$7,049,914 in 2019; \$6,317,760 in 2020; \$6,518,407 in 2021; and \$8,364,579 in 2022.
- The average annual Total District Expenditures for the entire period analyzed³⁵ was \$6,588,137. The average annual Total District Expenditures during Tammi's 2018 to 2022 tenure was \$6,899,498. The average annual Total District Expenditures prior to Tammi's tenure³⁶ was \$6,198,936.
- Unadjusted Revenues Over (Under) Expenditures was \$123,225 in 2012; (\$424,878) in 2014; (\$187,326) in 2016; (\$139,214) in 2017; (\$102,043) in 2018; (\$748,346) in 2019; \$245,619 in 2020; (\$39,576) in 2021; and (\$830,907) in 2022.
- The average annual Unadjusted Revenues Over (Under) Expenditures for the entire period analyzed³⁷ was (\$233,716). The average annual Unadjusted Revenues Over (Under) Expenditures during Tammi's 2018 to 2022 tenure was (\$295,051). The average annual Unadjusted Revenues Over (Under) Expenditures prior to Tammi's tenure³⁸ was (\$157,048).
- The District had other revenue and expenditure items during the period analyzed, including gains on the sale of capital assets, transfers in and out of varying funds, the issuance of bonds (debt), and payments towards bonds.
- When these other revenue and expenditure items are considered, the District had a Net Change in Combined Fund Balances of \$393,836 in 2012; (\$415,916) in 2014; (\$182,170) in 2016; (\$138,777) in 2017; (\$101,543) in 2018; (\$745,195) in 2019; \$245,619 in 2020; (\$39,075) in 2021; and \$2,958,639 in 2022.
- The average annual Net Change in Combined Fund Balances for the entire period analyzed³⁹ was \$219,491. The average annual Net Change in Combined Fund Balances during Tammi's 2018 to 2022 tenure was \$463,689. The average annual Net Change in Combined Fund Balances prior to Tammi's tenure⁴⁰ was (\$85,757).

Revenues Over (Under) Expenditures

³³ 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

³⁴ Using 2012, 2014, 2016, and 2017 data, as 2013 and 2015 audit reports were not available to me.

³⁵ 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

³⁶ Using 2012, 2014, 2016, and 2017 data, as 2013 and 2015 audit reports were not available to me.

³⁷ 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

³⁸ Using 2012, 2014, 2016, and 2017 data, as 2013 and 2015 audit reports were not available to me.

³⁹ 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

⁴⁰ Using 2012, 2014, 2016, and 2017 data, as 2013 and 2015 audit reports were not available to me.

The metric "Revenues Over (Under) Expenditures" on a Statement of Revenues, Expenditures, and Fund Balances represents the difference between total revenues and total expenditures for a specific period. It is a measure used to assess the financial performance of an organization, typically a government entity or non-profit organization.

When revenues exceed expenditures, the metric will show a positive value, indicating a surplus or excess of revenues over expenses. This suggests that the organization's operations generated more revenue than the costs incurred during the specified period. It signifies a favorable financial position and may indicate the ability to invest, save, or allocate funds towards other purposes.

When expenditures exceed revenues, the metric will show a negative value, indicating a deficit or shortfall of revenues compared to expenses. This indicates that the organization's operations incurred more costs than the revenue generated during the specified period. It suggests a financial challenge or budgetary imbalance, requiring the organization to find ways to address the shortfall, such as reducing expenses, increasing revenue sources, or utilizing reserves.

Net Change in Combined Fund Balances

It is important to note that the Net Change in Combined Fund Balances presented in the audited Statements of Revenues, Expenditures, and Fund Balances should not be equated with the traditional notion of profit. Rather, it represents the overall change in the combined fund balances, encompassing various financial activities and cash flows within the District. The Net Change in Combined Fund Balances reflects the net effect of revenues, expenditures, transfers, and other financial transactions, providing an indication of the District's cash flow position. Therefore, caution should be exercised in interpreting this figure as a direct measure of profitability. For a comprehensive analysis of the District's financial performance, it is advisable to consider additional factors, such as operational revenue and expenditure streams, non-cash items, and long-term sustainability, which collectively contribute to a more accurate assessment of the District's financial health.

Audited Reconciliations

In Exhibit 5: Audited Reconciliations of Combined Revenues, Expenditures, and Fund Balances by Fiscal Year (attached to the end of this report), I have taken into consideration various factors, including non-cash, one-time, and investment items, that have an impact on the District's overall profitability. By including these factors, my analysis provides a more comprehensive and accurate assessment of the District's financial health. The analysis is based on the audited Reconciliations of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the years 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.⁴¹

Non-cash items, such as depreciation and amortization expenses, are accounting entries that do not involve actual cash outflows but affect the reported financial results. By recognizing and adjusting for these non-cash items, the analysis accounts for their influence on the District's profitability.

One-time transactions, such as gains or losses from the sale of assets or extraordinary expenses, can significantly impact the financial statements in a particular fiscal year. Including these

⁴¹ 2013 and 2015 Audit Reports were not available to me.

items in the analysis provides a more comprehensive understanding of the District's financial performance by acknowledging their influence on profitability.

Furthermore, investment-related activities, such as interest income or losses from pension accounts, can affect the District's overall profitability. Considering these factors allows for a more holistic assessment of the District's financial position, considering the performance of its investments.

By incorporating these elements into the analysis, a more accurate and nuanced metric of the District's operational profitability⁴² is achieved, "Change in Net Position from Governmental Activities." This figure was already determined within the audit reports.

To reconcile the District's Net Change in Combined Fund Balances to its Change in Net Position from Governmental Activities, on the basis of their non-operational nature, the audit reports removed the financial impact of capital outlays, depreciation, net effect of decreases on capital assets, issuance of long-term debt, gains (losses) on the disposal of capital assets, payments on debt, accrued interest on debt, changes in net pension liabilities, changes in deferred net pension liabilities, changes in post-employment benefit liabilities, changes in allowances for uncollectible taxes, other post-employment benefit liabilities, severance payable, and other revenues (losses).

With these reconciliation items:

- The District's Change in Net Position from Governmental Activities, which can be thought of as the District's profit from its educational activities, was \$312,227 in 2012; (\$258,614) in 2014; (\$287,459) in 2016; (\$1,485,226) in 2017; (\$926,911) in 2018; \$660,679 in 2019; (\$91,569) in 2020; (\$323,025) in 2021; and \$571,120 in 2022.
- The average annual Change in Net Position from Governmental Activities for the entire period analyzed⁴³ was (\$203,198). The average annual Change in Net Position from Governmental Activities during Tammi's 2018 to 2022 tenure was (\$21,941). The average annual Change in Net Position from Governmental Activities prior to Tammi's tenure⁴⁴ was (\$429,768).

MDE Revenue and Expenditure Reports

Total District

In Exhibit 6: Total District Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of the District's 2015 through 2021 publicly-available MDE Revenue and Expenditure Reports. These reports compile information primarily related to the District's general fund.

⁴² In this context, operational profitability refers to the financial performance of the District's core operations, which revolve around the education of its student body. It focuses on the change in net position from governmental activities, serving as a metric to assess the extent to which the District's educational activities, including revenues, expenditures, and fund balances related to educational operations, contribute to its overall financial position. By considering the elements mentioned and utilizing the "Change in Net Position from Governmental Activities" figure already determined within the audit reports, a more accurate and nuanced measure of the District's operational profitability in delivering education to its students is obtained. This metric allows for a deeper understanding of the financial outcomes directly associated with the District's educational activities and helps evaluate the effectiveness and sustainability of its core operations in fulfilling its educational mission.

⁴³ 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

⁴⁴ Using 2012, 2014, 2016, and 2017 data, as 2013 and 2015 audit reports were not available to me.

From the District's 2015 through 2021 MDE Revenue and Expenditure Reports, I note:

- General Education Revenues were comprised of Basic General Education, Extended Time, Compensatory, English Learner, Sparsity, Operating Capital, Operating Referendum, Location Equity, and Other General Ed sources.
- Other General Education Revenues were comprised of Special Education, Title 1, Q Comp, Other Operating, and Other Capital Expenditure sources.
- Total General Fund Revenues, comprised of both General Education Revenues and Other General Education Revenues, were \$5,920,486.68 in 2015; \$5,263,408.26 in 2016; \$5,146,701.83 in 2017; \$5,666,775.50 in 2018; \$5,849,952.30 in 2019; \$6,075,905.01 in 2020; and \$5,917,823.43 in 2021.
- The average annual Total General Fund Revenues for the entire period analyzed⁴⁵ was \$5,691,579. The average annual Total General Fund Revenues during Tammi's 2018 to 2021 tenure was \$5,877,614. The average annual Total General Fund Revenues prior to Tammi's tenure⁴⁶ was \$5,443,532.
- Using the whole District's enrollment figures from Exhibit 1 and whole District's revenue figures from the publicly-available MDE data, the Revenue Dollars Per ADM (i.e., per student) was \$17,889.91 in 2015; \$19,453.04 in 2016; \$17,967.19 in 2017; \$19,894.59 in 2018; \$19,823.63 in 2019; \$20,826.44 in 2020; and \$20,985.93 in 2021.
- General Operating Fund Expenditures were comprised of District Level Administration, School Level Administration, Regular Instruction, Career and Technical Instruction, Special Education, Student Activities and Athletics, Instructional Support Services, Pupil Support Services, Operation Maintenance and Other, and Student Transportation.
- Other Expenditures were comprised of Capital Expenditures.
- Total General Fund Expenditures, comprised of both General Operating Fund Expenditures and Other Expenditures, were \$5,890,943.78 in 2015; \$5,316,320.05 in 2016; \$5,175,138.99 in 2017; \$5,612,661.30 in 2018; \$6,417,829.18 in 2019; \$5,710,484.06 in 2020; and \$5,907,707.93 in 2021.
- The average annual Total General Fund Expenditures for the entire period analyzed⁴⁷ was \$5,718,726. The average annual Total General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$5,912,171. The average annual Total General Fund Expenditures prior to Tammi's tenure⁴⁸ was \$5,460,801.
- Using the whole District's enrollment figures from Exhibit 1 and whole District's expenditure figures from the publicly-available MDE data, the Expenditure Dollars Per ADM (i.e., per student) was \$17,800.64 in 2015; \$19,648.59 in 2016; \$18,066.47 in 2017; \$19,704.61 in 2018; \$21,747.98 in 2019; \$19,573.88 in 2020; and \$20,950.06 in 2021.
- Total District Revenues Over (Under) Expenditures were \$29,542.90 in 2015; (\$52,911.79) in 2016; (\$28,437.16) in 2017; \$54,114.20 in 2018; (\$567,876.88) in 2019; \$365,420.95 in 2020; and \$10,115.50 in 2021.
- Using the whole District's enrollment figures from Exhibit 1 and whole District's Revenues Over (Under) Expenditures figures from the publicly-available MDE data, the Revenues Over (Under) Expenditures Per ADM (i.e., per student) was \$89.27 in 2015; (\$195.56) in 2016; (\$99.27) in 2017; \$189.98 in 2018; (\$1,924.35) in 2019; \$1,252.56 in 2020; and \$35.87 in 2021.

⁴⁵ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁴⁶ Using 2015, 2016, and 2017 data.

⁴⁷ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁴⁸ Using 2015, 2016, and 2017 data.

If we add back the funding related to capital expenditures, the costs associated with the capital expenditures, and the related depreciation expense⁴⁹ on the basis of their non-operational nature, then:

- When these normalization adjustments are considered, the District had Normalized Revenues Over (Under) Expenditures of \$300,502.10 in 2016; \$270,304.11 in 2017; \$386,406.40 in 2018; \$235,743.09 in 2019; \$820,851.39 in 2020; and \$456,990.07 in 2021.
- Using the whole District's enrollment figures from Exhibit 1 and whole District's normalized Revenues Over (Under) Expenditures figures, the Normalized Revenues Over (Under) Expenditures Per ADM (i.e., per student) was \$1,110.63 in 2016; \$943.63 in 2017; \$1,356.57 in 2018; \$798.86 in 2019; \$2,813.64 in 2020; and \$1,620.59 in 2021.

Indus Elementary

In Exhibit 7: Indus Elementary Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Indus Elementary's 2015 through 2021 publicly-available MDE Revenue and Expenditure Reports.

From Indus Elementary's 2015 through 2021 MDE Revenue and Expenditure Reports, I note:

- General Education Revenues were comprised of Basic General Education, Extended Time, Compensatory, English Learner, Sparsity, Operating Capital, Operating Referendum, Location Equity, and Other General Ed sources.
- Other General Education Revenues were comprised of Special Education, Title 1, Q Comp, Other Operating, and Other Capital Expenditure sources.
- Indus Elementary General Fund Revenues, comprised of both General Education Revenues and Other General Education Revenues, were \$1,050,558.09 in 2015; \$742,539.24 in 2016; \$829,609.33 in 2017; \$1,063,585.69 in 2018; \$1,034,286.90 in 2019; \$1,102,669.48 in 2020; and \$1,031,379.90 in 2021.
- The average annual Indus Elementary General Fund Revenues for the entire period analyzed⁵⁰ was \$979,233. The average annual Indus Elementary General Fund Revenues during Tammi's 2018 to 2021 tenure was \$1,057,980. The average annual Indus Elementary General Fund Revenues prior to Tammi's tenure⁵¹ was \$874,236.
- Using Indus Elementary's enrollment figures from Exhibit 1 and Indus Elementary's revenue figures from the publicly-available MDE data, the Revenue Dollars Per ADM (i.e., per student) was \$16,630.65 in 2015; \$18,619.34 in 2016; \$17,410.48 in 2017; \$18,633.25 in 2018; \$19,303.60 in 2019; \$19,193.55 in 2020; and \$20,085.30 in 2021.
- General Operating Fund Expenditures were comprised of District Level Administration, School Level Administration, Regular Instruction, Career and Technical Instruction, Special Education, Student Activities and Athletics, Instructional Support Services, Pupil Support Services, Operation Maintenance and Other, and Student Transportation.
- Other Expenditures were comprised of Capital Expenditures.

⁴⁹ The total depreciation expense was found within the audit reports; therefore, I was only able to make normalizing adjustments to years in which audit report data was available. Since MDE data was available for 2015 through 2021, and audit reports were available for 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, I was able to determine the normalization adjustments for 2016 through 2021.

⁵⁰ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁵¹ Using 2015, 2016, and 2017 data.

- Indus Elementary General Fund Expenditures, comprised of both General Operating Fund Expenditures and Other Expenditures, were \$1,095,002.16 in 2015; \$852,893.08 in 2016; \$869,162.08 in 2017; \$1,024,060.24 in 2018; \$1,136,686.64 in 2019; \$1,034,048.28 in 2020; and \$923,135.66 in 2021.
- The average annual Indus Elementary General Fund Expenditures for the entire period analyzed⁵² was \$990,713. The average annual Indus Elementary General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$1,029,483. The average annual Indus Elementary General Fund Expenditures prior to Tammi's tenure⁵³ was \$939,019.
- Using Indus Elementary's enrollment figures from Exhibit 1 and Indus Elementary's expenditure figures from the publicly-available MDE data, the Expenditure Dollars Per ADM (i.e., per student) was \$17,334.21 in 2015; \$21,386.49 in 2016; \$18,240.55 in 2017; \$17,940.79 in 2018; \$21,214.76 in 2019; \$17,999.10 in 2020; and \$17,977.33 in 2021.
- Total Indus Elementary Revenues Over (Under) Expenditures were (\$44,444.07) in 2015; (\$110,353.84) in 2016; (\$39,552.75) in 2017; \$39,525.45 in 2018; (\$102,399.74) in 2019; \$68,621.20 in 2020; and \$108,244.24 in 2021.
- Using Indus Elementary's enrollment figures from Exhibit 1 and Indus Elementary's Revenues Over (Under) Expenditures figures from the publicly-available MDE data, the Revenues Over (Under) Expenditures Per ADM (i.e., per student) was (\$703.56) in 2015; (\$2,767.15) in 2016; (\$830.07) in 2017; \$692.46 in 2018; (\$1,911.16) in 2019; \$1,194.45 in 2020; and \$2,107.97 in 2021.

If we add back the funding related to capital expenditures, the costs associated with the capital expenditures, and the related depreciation expense⁵⁴ on the basis of their non-operational nature, then:

- When these normalization adjustments are considered, Indus Elementary had Normalized Revenues Over (Under) Expenditures of (\$55,030.60) in 2016; \$14,760.04 in 2017; \$106,925.15 in 2018; \$47,774.32 in 2019; \$161,892.18 in 2020; and \$188,118.34 in 2021.
- Using Indus Elementary's enrollment figures from Exhibit 1 and Indus Elementary's normalized Revenues Over (Under) Expenditures figures, the Normalized Revenues Over (Under) Expenditures Per ADM (i.e., per student) was (\$1,379.90) in 2016; \$309.76 in 2017; \$1,873.25 in 2018; \$891.64 in 2019; \$2,817.97 in 2020; and \$3,663.45 in 2021.

Indus Secondary

In Exhibit 8: Indus Secondary Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Indus Secondary's 2015 through 2021 publicly-available MDE Revenue and Expenditure Reports.

From Indus Secondary's 2015 through 2021 MDE Revenue and Expenditure Reports, I note:

⁵² 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁵³ Using 2015, 2016, and 2017 data.

⁵⁴ The total depreciation expense was found within the audit reports; therefore, I was only able to make normalizing adjustments to years in which audit report data was available. Since MDE data was available for 2015 through 2021, and audit reports were available for 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, I was able to determine the normalization adjustments for 2016 through 2021. For Indus Elementary, I adjusted the depreciation expense based on the individual site's enrollment per Exhibit 3 to reflect the site-specific portion of the Total District's depreciation expense.

- General Education Revenues were comprised of Basic General Education, Extended Time, Compensatory, English Learner, Sparsity, Operating Capital, Operating Referendum, Location Equity, and Other General Ed sources.
- Other General Education Revenues were comprised of Special Education, Title 1, Q Comp, Other Operating, and Other Capital Expenditure sources.
- Indus Secondary General Fund Revenues, comprised of both General Education Revenues and Other General Education Revenues, were \$1,413,648.72 in 2015; \$1,225,014.74 in 2016; \$1,149,710.65 in 2017; \$1,263,946.12 in 2018; \$1,245,666.77 in 2019; \$1,202,092.07 in 2020; and \$1,250,508.72 in 2021.
- The average annual Indus Secondary General Fund Revenues for the entire period analyzed⁵⁵ was \$1,250,084. The average annual Indus Secondary General Fund Revenues during Tammi's 2018 to 2021 tenure was \$1,240,553. The average annual Indus Secondary General Fund Revenues prior to Tammi's tenure⁵⁶ was \$1,262,791.
- Using Indus Secondary's enrollment figures from Exhibit 1 and Indus Secondary's revenue figures from the publicly-available MDE data, the Revenue Dollars Per ADM (i.e., per student) was \$23,521.61 in 2015; \$24,772.80 in 2016; \$23,651.73 in 2017; \$24,362.88 in 2018; \$25,215.93 in 2019; \$26,754.78 in 2020; and \$24,856.07 in 2021.
- General Operating Fund Expenditures were comprised of District Level Administration, School Level Administration, Regular Instruction, Career and Technical Instruction, Special Education, Student Activities and Athletics, Instructional Support Services, Pupil Support Services, Operation Maintenance and Other, and Student Transportation.
- Other Expenditures were comprised of Capital Expenditures.
- Indus Secondary General Fund Expenditures, comprised of both General Operating Fund Expenditures and Other Expenditures, were \$1,558,100.28 in 2015; \$1,410,855.97 in 2016; \$1,314,282.65 in 2017; \$1,408,198.65 in 2018; \$1,578,539.99 in 2019; \$1,351,420.06 in 2020; and \$1,388,641.70 in 2021.
- The average annual Indus Secondary General Fund Expenditures for the entire period analyzed⁵⁷ was \$1,430,006. The average annual Indus Secondary General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$1,431,700. The average annual Indus Secondary General Fund Expenditures prior to Tammi's tenure⁵⁸ was \$1,427,746.
- Using Indus Secondary's enrollment figures from Exhibit 1 and Indus Secondary's expenditure figures from the publicly-available MDE data, the Expenditure Dollars Per ADM (i.e., per student) was \$25,925.13 in 2015; \$28,530.96 in 2016; \$27,037.29 in 2017; \$27,143.38 in 2018; \$31,954.25 in 2019; \$30,078.35 in 2020; and \$27,601.70 in 2021.
- Total Indus Secondary Revenues Over (Under) Expenditures were (\$144,451.56) in 2015; (\$185,841.23) in 2016; (\$164,572.00) in 2017; (\$144,252.53) in 2018; (\$332,873.22) in 2019; (\$149,327.99) in 2020; and (\$138,132.98) in 2021.
- Using Indus Secondary's enrollment figures from Exhibit 1 and Indus Secondary's Revenues Over (Under) Expenditures figures from the publicly-available MDE data, the Revenues Over (Under) Expenditures Per ADM (i.e., per student) was (\$2,403.52) in 2015; (\$3,758.16) in 2016; (\$3,385.56) in 2017; (\$2,780.50) in 2018; (\$6,738.32) in 2019; (\$3,323.57) in 2020; and (\$2,745.64) in 2021.

⁵⁵ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁵⁶ Using 2015, 2016, and 2017 data.

⁵⁷ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁵⁸ Using 2015, 2016, and 2017 data.

If we add back the funding related to capital expenditures, the costs associated with the capital expenditures, and the related depreciation expense⁵⁹ on the basis of their non-operational nature, then:

- When these normalization adjustments are considered, Indus Secondary had Normalized Revenues Over (Under) Expenditures of (\$121,381.85) in 2016; (\$119,532.08) in 2017; (\$71,778.78) in 2018; (\$200,976.95) in 2019; (\$83,103.96) in 2020; and (\$63,868.88) in 2021.
- Using Indus Secondary's enrollment figures from Exhibit 1 and Indus Secondary's normalized Revenues Over (Under) Expenditures figures, the Normalized Revenues Over (Under) Expenditures Per ADM (i.e., per student) was (\$2,454.64) in 2016; (\$2,459.00) in 2017; (\$1,383.55) in 2018; (\$4,068.36) in 2019; (\$1,849.63) in 2020; and (\$1,269.51) in 2021.

Combined Indus Elementary and Secondary

In Exhibit 9: Indus Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Indus's 2015 through 2021 publicly-available MDE Revenue and Expenditure Reports.

From Indus's 2015 through 2021 MDE Revenue and Expenditure Reports, I note:

- General Education Revenues were comprised of Basic General Education, Extended Time, Compensatory, English Learner, Sparsity, Operating Capital, Operating Referendum, Location Equity, and Other General Ed sources.
- Other General Education Revenues were comprised of Special Education, Title 1, Q Comp, Other Operating, and Other Capital Expenditure sources.
- Indus' General Fund Revenues, comprised of both General Education Revenues and Other General Education Revenues, were \$2,464,206.81 in 2015; \$1,967,553.98 in 2016; \$1,979,319.98 in 2017; \$2,327,531.81 in 2018; \$2,279,953.67 in 2019; \$2,304,761.55 in 2020; and \$2,281,888.62 in 2021.
- The average annual Indus General Fund Revenues for the entire period analyzed⁶⁰ was \$2,229,317. The average annual Indus General Fund Revenues during Tammi's 2018 to 2021 tenure was \$2,298,534. The average annual Indus General Fund Revenues prior to Tammi's tenure⁶¹ was \$2,137,027.
- Using Indus' enrollment figures from Exhibit 1 and Indus' revenue figures from the publicly-available MDE data, the Revenue Dollars Per ADM (i.e., per student) was \$19,990.32 in 2015; \$22,025.68 in 2016; \$20,562.23 in 2017; \$21,361.34 in 2018; \$22,139.77 in 2019; \$22,511.83 in 2020; and \$22,446.28 in 2021.
- General Operating Fund Expenditures were comprised of District Level Administration, School Level Administration, Regular Instruction, Career and Technical Instruction,

⁵⁹ The total depreciation expense was found within the audit reports; therefore, I was only able to make normalizing adjustments to years in which audit report data was available. Since MDE data was available for 2015 through 2021, and audit reports were available for 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, I was able to determine the normalization adjustments for 2016 through 2021. For Indus Secondary, I adjusted the depreciation expense based on the individual site's enrollment per Exhibit 3 to reflect the site-specific portion of the Total District's depreciation expense.

⁶⁰ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁶¹ Using 2015, 2016, and 2017 data.

Special Education, Student Activities and Athletics, Instructional Support Services, Pupil Support Services, Operation Maintenance and Other, and Student Transportation.

- Other Expenditures were comprised of Capital Expenditures.
- Indus General Fund Expenditures, comprised of both General Operating Fund Expenditures and Other Expenditures, were \$2,653,102.44 in 2015; \$2,263,749.05 in 2016; \$2,183,444.73 in 2017; \$2,432,258.89 in 2018; \$2,715,226.63 in 2019; \$2,385,468.34 in 2020; and \$2,311,777.36 in 2021.
- The average annual Indus General Fund Expenditures for the entire period analyzed⁶² was \$2,420,718. The average annual Indus General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$2,461,183. The average annual Indus General Fund Expenditures prior to Tammi's tenure⁶³ was \$2,366,765.
- Using Indus' enrollment figures from Exhibit 1 and Indus' expenditure figures from the publicly-available MDE data, the Expenditure Dollars Per ADM (i.e., per student) was \$21,522.69 in 2015; \$25,341.42 in 2016; \$22,682.78 in 2017; \$22,322.49 in 2018; \$26,266.54 in 2019; \$23,200.14 in 2020; and \$22,740.28 in 2021.
- Total Indus Revenues Over (Under) Expenditures were (\$188,895.63) in 2015; (\$296,195.07) in 2016; (\$204,124.75) in 2017; (\$104,727.08) in 2018; (\$435,272.96) in 2019; (\$80,706.79) in 2020; and (\$29,888.74) in 2021.
- Using Indus' enrollment figures from Exhibit 1 and Indus' Revenues Over (Under) Expenditures figures from the publicly-available MDE data, the Revenues Over (Under) Expenditures Per ADM (i.e., per student) was (\$1,532.37) in 2015; (\$3,315.74) in 2016; (\$2,120.56) in 2017; (\$961.15) in 2018; (\$4,226.77) in 2019; (\$788.31) in 2020; and (\$294.01) in 2021.

If we add back the funding related to capital expenditures, the costs associated with the capital expenditures, and the related depreciation expense⁶⁴ on the basis of their non-operational nature, then:

- When these normalization adjustments are considered, Indus had Normalized Revenues Over (Under) Expenditures of (\$176,412.45) in 2016; (\$104,772.04) in 2017; \$35,146.37 in 2018; (\$153,202.63) in 2019; \$78,788.22 in 2020; and \$124,249.46 in 2021.
- Using Indus' enrollment figures from Exhibit 1 and Indus' normalized Revenues Over (Under) Expenditures figures, the Normalized Revenues Over (Under) Expenditures Per ADM (i.e., per student) was (\$1,974.84) in 2016; (\$1,088.43) in 2017; \$322.56 in 2018; (\$1,487.69) in 2019; \$769.57 in 2020; and \$1,222.21 in 2021.

Northome Elementary

In Exhibit 10: Northome Elementary Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Northome Elementary's 2015 through 2021 publicly-available MDE Revenue and Expenditure Reports.

⁶² 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁶³ Using 2015, 2016, and 2017 data.

⁶⁴ The total depreciation expense was found within the audit reports; therefore, I was only able to make normalizing adjustments to years in which audit report data was available. Since MDE data was available for 2015 through 2021, and audit reports were available for 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, I was able to determine the normalization adjustments for 2016 through 2021. For the Combined Indus Elementary and Secondary analysis, I adjusted the depreciation expense based on the individual site's enrollment per Exhibit 3 to reflect the site-specific portion of the Total District's depreciation expense.

From Northome Elementary's 2015 through 2021 MDE Revenue and Expenditure Reports, I note:

- General Education Revenues were comprised of Basic General Education, Extended Time, Compensatory, English Learner, Sparsity, Operating Capital, Operating Referendum, Location Equity, and Other General Ed sources.
- Other General Education Revenues were comprised of Special Education, Title 1, Q Comp, Other Operating, and Other Capital Expenditure sources.
- Northome Elementary General Fund Revenues, comprised of both General Education Revenues and Other General Education Revenues, were \$1,649,570.77 in 2015; \$1,567,278.19 in 2016; \$1,574,930.84 in 2017; \$1,694,437.45 in 2018; \$1,731,761.23 in 2019; \$1,957,676.59 in 2020; and \$1,883,325.82 in 2021.
- The average annual Northome Elementary General Fund Revenues for the entire period analyzed⁶⁵ was \$1,722,712. The average annual Northome Elementary General Fund Revenues during Tammi's 2018 to 2021 tenure was \$1,816,800. The average annual Northome Elementary General Fund Revenues prior to Tammi's tenure⁶⁶ was \$1,597,260.
- Using Northome Elementary's enrollment figures from Exhibit 1 and Northome Elementary's revenue figures from the publicly-available MDE data, the Revenue Dollars Per ADM (i.e., per student) was \$14,249.92 in 2015; \$16,064.76 in 2016; \$14,292.87 in 2017; \$16,745.11 in 2018; \$15,602.86 in 2019; \$17,521.49 in 2020; and \$17,690.45 in 2021.
- General Operating Fund Expenditures were comprised of District Level Administration, School Level Administration, Regular Instruction, Career and Technical Instruction, Special Education, Student Activities and Athletics, Instructional Support Services, Pupil Support Services, Operation Maintenance and Other, and Student Transportation.
- Other Expenditures were comprised of Capital Expenditures.
- Northome Elementary General Fund Expenditures, comprised of both General Operating Fund Expenditures and Other Expenditures, were \$1,348,241.84 in 2015; \$1,187,795.98 in 2016; \$1,233,136.55 in 2017; \$1,263,247.17 in 2018; \$1,494,049.54 in 2019; \$1,485,185.59 in 2020; and \$1,621,245.68 in 2021.
- The average annual Northome Elementary General Fund Expenditures for the entire period analyzed⁶⁷ was \$1,376,129. The average annual Northome Elementary General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$1,465,932. The average annual Northome Elementary General Fund Expenditures prior to Tammi's tenure⁶⁸ was \$1,256,391.
- Using Northome Elementary's enrollment figures from Exhibit 1 and Northome Elementary's expenditure figures from the publicly-available MDE data, the Expenditure Dollars Per ADM (i.e., per student) was \$11,646.87 in 2015; \$12,175.03 in 2016; \$11,191.00 in 2017; \$12,483.91 in 2018; \$13,461.12 in 2019; \$13,292.63 in 2020; and \$15,228.68 in 2021.
- Total Northome Elementary Revenues Over (Under) Expenditures were \$301,328.93 in 2015; \$379,482.21 in 2016; \$341,794.29 in 2017; \$431,190.28 in 2018; \$237,711.69 in 2019; \$472,491.00 in 2020; and \$262,080.14 in 2021.
- Using Northome Elementary's enrollment figures from Exhibit 1 and Northome Elementary's Revenues Over (Under) Expenditures figures from the publicly-available

⁶⁵ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁶⁶ Using 2015, 2016, and 2017 data.

⁶⁷ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁶⁸ Using 2015, 2016, and 2017 data.

MDE data, the Revenues Over (Under) Expenditures Per ADM (i.e., per student) was \$2,603.05 in 2015; \$3,889.73 in 2016; \$3,101.86 in 2017; \$4,261.19 in 2018; \$2,141.74 in 2019; \$4,228.86 in 2020; and \$2,461.77 in 2021.

If we add back the funding related to capital expenditures, the costs associated with the capital expenditures, and the related depreciation expense⁶⁹ on the basis of their non-operational nature, then:

- When these normalization adjustments are considered, Northome Elementary had Normalized Revenues Over (Under) Expenditures of \$499,482.22 in 2016; \$465,537.09 in 2017; \$535,562.64 in 2018; \$534,711.55 in 2019; \$653,640.84 in 2020; and \$441,960.10 in 2021.
- Using Northome Elementary's enrollment figures from Exhibit 1 and Northome Elementary's normalized Revenues Over (Under) Expenditures figures, the Normalized Revenues Over (Under) Expenditures Per ADM (i.e., per student) was \$10,100.75 in 2016; \$9,576.98 in 2017; \$10,323.10 in 2018; \$10,824.12 in 2019; \$14,547.98 in 2020; and \$8,784.74 in 2021.

Northome Secondary

In Exhibit 11: Northome Secondary Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Northome Secondary's 2015 through 2021 publicly-available MDE Revenue and Expenditure Reports.

From Northome Secondary's 2015 through 2021 MDE Revenue and Expenditure Reports, I note:

- General Education Revenues were comprised of Basic General Education, Extended Time, Compensatory, English Learner, Sparsity, Operating Capital, Operating Referendum, Location Equity, and Other General Ed sources.
- Other General Education Revenues were comprised of Special Education, Title 1, Q Comp, Other Operating, and Other Capital Expenditure sources.
- Northome Secondary General Fund Revenues, comprised of both General Education Revenues and Other General Education Revenues, were \$1,793,945.23 in 2015; \$1,697,471.28 in 2016; \$1,545,255.44 in 2017; \$1,611,086.98 in 2018; \$1,814,564.13 in 2019; \$1,784,466.18 in 2020; and \$1,750,451.61 in 2021.
- The average annual Northome Secondary General Fund Revenues for the entire period analyzed⁷⁰ was \$1,713,892. The average annual Northome Secondary General Fund Revenues during Tammi's 2018 to 2021 tenure was \$1,740,142. The average annual Northome Secondary General Fund Revenues prior to Tammi's tenure⁷¹ was \$1,678,891.
- Using Northome Secondary's enrollment figures from Exhibit 1 and Northome Secondary's revenue figures from the publicly-available MDE data, the Revenue Dollars Per ADM (i.e., per student) was \$19,733.20 in 2015; \$21,018.71 in 2016; \$20,791.92 in

⁶⁹ The total depreciation expense was found within the audit reports; therefore, I was only able to make normalizing adjustments to years in which audit report data was available. Since MDE data was available for 2015 through 2021, and audit reports were available for 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, I was able to determine the normalization adjustments for 2016 through 2021. For Northome Elementary, I adjusted the depreciation expense based on the individual site's enrollment per Exhibit 3 to reflect the site-specific portion of the Total District's depreciation expense.

⁷⁰ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁷¹ Using 2015, 2016, and 2017 data.

2017; \$22,845.82 in 2018; \$23,094.87 in 2019; \$23,856.50 in 2020; and \$23,747.82 in 2021.

- General Operating Fund Expenditures were comprised of District Level Administration, School Level Administration, Regular Instruction, Career and Technical Instruction, Special Education, Student Activities and Athletics, Instructional Support Services, Pupil Support Services, Operation Maintenance and Other, and Student Transportation.
- Other Expenditures were comprised of Capital Expenditures.
- Northome Secondary General Fund Expenditures, comprised of both General Operating Fund Expenditures and Other Expenditures, were \$1,842,775.26 in 2015; \$1,802,732.20 in 2016; \$1,688,436.19 in 2017; \$1,858,672.68 in 2018; \$2,151,185.47 in 2019; \$1,809,195.14 in 2020; and \$1,919,573.01 in 2021.
- The average annual Northome Secondary General Fund Expenditures for the entire period analyzed⁷² was \$1,867,510. The average annual Northome Secondary General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$1,934,657. The average annual Northome Secondary General Fund Expenditures prior to Tammi's tenure⁷³ was \$1,777,981.
- Using Northome Secondary's enrollment figures from Exhibit 1 and Northome Secondary's expenditure figures from the publicly-available MDE data, the Expenditure Dollars Per ADM (i.e., per student) was \$20,270.33 in 2015; \$22,322.09 in 2016; \$22,718.46 in 2017; \$26,356.67 in 2018; \$27,379.22 in 2019; \$24,187.10 in 2020; and \$26,042.23 in 2021.
- Total Northome Secondary Revenues Over (Under) Expenditures were (\$48,830.03) in 2015; (\$105,260.92) in 2016; (\$143,180.75) in 2017; (\$247,585.70) in 2018; (\$336,621.34) in 2019; (\$24,728.96) in 2020; and (\$169,121.40) in 2021.
- Using Northome Secondary's enrollment figures from Exhibit 1 and Northome Secondary's Revenues Over (Under) Expenditures figures from the publicly-available MDE data, the Revenues Over (Under) Expenditures Per ADM (i.e., per student) was (\$537.12) in 2015; (\$1,303.38) in 2016; (\$1,926.54) in 2017; (\$3,510.86) in 2018; (\$4,284.35) in 2019; (\$330.60) in 2020; and (\$2,294.42) in 2021.

If we add back the funding related to capital expenditures, the costs associated with the capital expenditures, and the related depreciation expense⁷⁴ on the basis of their non-operational nature, then:

- When these normalization adjustments are considered, Northome Secondary had Normalized Revenues Over (Under) Expenditures of \$8,543.22 in 2016; (\$66,796.11) in 2017; (\$159,325.69) in 2018; (\$115,991.92) in 2019; \$89,118.59 in 2020; and (\$56,315.86) in 2021.
- Using Northome Secondary's enrollment figures from Exhibit 1 and Northome Secondary's normalized Revenues Over (Under) Expenditures figures, the Normalized Revenues Over (Under) Expenditures Per ADM (i.e., per student) was \$172.76 in 2016;

⁷² 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁷³ Using 2015, 2016, and 2017 data.

⁷⁴ The total depreciation expense was found within the audit reports; therefore, I was only able to make normalizing adjustments to years in which audit report data was available. Since MDE data was available for 2015 through 2021, and audit reports were available for 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, I was able to determine the normalization adjustments for 2016 through 2021. For Northome Secondary, I adjusted the depreciation expense based on the individual site's enrollment per Exhibit 3 to reflect the site-specific portion of the Total District's depreciation expense.

(\$1,374.12) in 2017; (\$3,071.04) in 2018; (\$2,348.01) in 2019; \$1,983.50 in 2020; and (\$1,119.38) in 2021.

Combined Northhome Elementary and Secondary

In Exhibit 12: Northhome Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Northhome's 2015 through 2021 publicly-available MDE Revenue and Expenditure Reports.

From Northhome's 2015 through 2021 MDE Revenue and Expenditure Reports, I note:

- General Education Revenues were comprised of Basic General Education, Extended Time, Compensatory, English Learner, Sparsity, Operating Capital, Operating Referendum, Location Equity, and Other General Ed sources.
- Other General Education Revenues were comprised of Special Education, Title 1, Q Comp, Other Operating, and Other Capital Expenditure sources.
- Northhome General Fund Revenues, comprised of both General Education Revenues and Other General Education Revenues, were \$3,443,516.00 in 2015; \$3,264,749.47 in 2016; \$3,120,186.28 in 2017; \$3,305,524.43 in 2018; \$3,546,325.36 in 2019; \$3,742,142.77 in 2020; and \$3,633,777.43 in 2021.
- The average annual Northhome General Fund Revenues for the entire period analyzed⁷⁵ was \$3,436,603. The average annual Northhome General Fund Revenues during Tammi's 2018 to 2021 tenure was \$3,556,943. The average annual Northhome General Fund Revenues prior to Tammi's tenure⁷⁶ was \$3,276,151.
- Using Northhome's enrollment figures from Exhibit 1 and Northhome's revenue figures from the publicly-available MDE data, the Revenue Dollars Per ADM (i.e., per student) was \$16,661.91 in 2015; \$18,308.38 in 2016; \$16,910.66 in 2017; \$19,250.62 in 2018; \$18,708.19 in 2019; \$20,061.88 in 2020; and \$20,168.60 in 2021.
- General Operating Fund Expenditures were comprised of District Level Administration, School Level Administration, Regular Instruction, Career and Technical Instruction, Special Education, Student Activities and Athletics, Instructional Support Services, Pupil Support Services, Operation Maintenance and Other, and Student Transportation.
- Other Expenditures were comprised of Capital Expenditures.
- Northhome General Fund Expenditures, comprised of both General Operating Fund Expenditures and Other Expenditures, were \$3,191,017.10 in 2015; \$2,990,528.18 in 2016; \$2,921,572.74 in 2017; \$3,121,919.85 in 2018; \$3,645,235.01 in 2019; \$3,294,380.73 in 2020; and \$3,540,818.69 in 2021.
- The average annual Northhome General Fund Expenditures for the entire period analyzed⁷⁷ was \$3,243,639. The average annual Northhome General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$3,400,589. The average annual Northhome General Fund Expenditures prior to Tammi's tenure⁷⁸ was \$3,034,373.
- Using Northhome's enrollment figures from Exhibit 1 and Northhome's expenditure figures from the publicly-available MDE data, the Expenditure Dollars Per ADM (i.e., per student) was \$15,440.16 in 2015; \$16,770.57 in 2016; \$15,834.22 in 2017; \$18,181.35 in 2018; \$19,229.98 in 2019; \$17,661.40 in 2020; and \$19,652.65 in 2021.

⁷⁵ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁷⁶ Using 2015, 2016, and 2017 data.

⁷⁷ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁷⁸ Using 2015, 2016, and 2017 data.

- Total Northome Revenues Over (Under) Expenditures were \$252,498.90 in 2015; \$274,221.29 in 2016; \$198,613.54 in 2017; \$183,604.58 in 2018; (\$98,909.65) in 2019; \$447,762.04 in 2020; and \$92,958.74 in 2021.
- Using Northome's enrollment figures from Exhibit 1 and Northome's Revenues Over (Under) Expenditures figures from the publicly-available MDE data, the Revenues Over (Under) Expenditures Per ADM (i.e., per student) was \$1,221.75 in 2015; \$1,537.80 in 2016; \$1,076.44 in 2017; \$1,069.27 in 2018; (\$521.79) in 2019; \$2,400.48 in 2020; and \$515.95 in 2021.

If we add back the funding related to capital expenditures, the costs associated with the capital expenditures, and the related depreciation expense⁷⁹ on the basis of their non-operational nature, then:

- When these normalization adjustments are considered, Northome had Normalized Revenues Over (Under) Expenditures of \$508,025.44 in 2016; \$398,740.97 in 2017; \$376,236.95 in 2018; \$418,719.63 in 2019; \$742,759.43 in 2020; and \$385,644.24 in 2021.
- Using Northome's enrollment figures from Exhibit 1 and Northome's normalized Revenues Over (Under) Expenditures figures, the Normalized Revenues Over (Under) Expenditures Per ADM (i.e., per student) was \$5,687.06 in 2016; \$4,142.33 in 2017; \$3,452.98 in 2018; \$4,066.03 in 2019; \$7,254.93 in 2020; and \$3,793.47 in 2021.

Summary

In Exhibit 13: Comparison of MDE Revenue and Expenditure Dollars Per ADM by Fiscal Year (attached to the end of this report), I compared the various Revenue Over (Under) Expenditures Per ADM figures calculated within previous analyses covering the period 2015 through 2021.

From the Unadjusted Revenue Over (Under) Expenditures Per ADM figures, I note:

- Without normalization entries to remove the non-operational capital expenditures and depreciation, Indus appears to have had seven consecutive years⁸⁰ of losses per student. Over the 2015-2021 period analyzed, Indus' average Revenue Over (Under) Expenditures Per ADM was (\$1,891.27).
- Without normalization entries to remove the non-operational capital expenditures and depreciation, Northome appears to (with one exception) see excess revenues per student. Over the 2015-2021 period analyzed, Northome's average Revenue Over (Under) Expenditures Per ADM was \$1,042.84.
- Without normalization entries to remove the non-operational capital expenditures and depreciation, the District appears to operate at a near break-even level (with some variance). Over the 2015-2021 period analyzed, the District's average Revenue Over (Under) Expenditures Per ADM was (\$93.07).

⁷⁹ The total depreciation expense was found within the audit reports; therefore, I was only able to make normalizing adjustments to years in which audit report data was available. Since MDE data was available for 2015 through 2021, and audit reports were available for 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, I was able to determine the normalization adjustments for 2016 through 2021. For the Combined Northome Elementary and Secondary analysis, I adjusted the depreciation expense based on the individual site's enrollment per Exhibit 3 to reflect the site-specific portion of the Total District's depreciation expense.

⁸⁰ Based on a seven-year (2015-2021) analysis.

It is important to note that the figures cited above, which exclude normalization entries, reflect the accounting revenues and expenses, and therefore, the accounting profit. However, it is important to recognize that accounting profit is distinct from actual cash flows. While accounting profit represents the financial performance recorded based on accounting principles, it does not necessarily reflect the actual inflows and outflows of cash in a given period. Cash flows can be influenced by various factors, like the non-cash depreciation expense and one-time capital expenditures.

From Indus' Adjusted Revenue Over (Under) Expenditures Per ADM figures, I note:

- Even with the normalization entries to remove the non-operational capital expenditures and depreciation, in the two years analyzed prior to Tammi's tenure,⁸¹ Indus had two years of losses per student.
- During Tammi's 2018 through 2021 tenure, Indus' Revenues Over (Under) Expenditures Per ADM averaged \$206.66.

It could be argued that Tammi improved Indus' profitability and financial viability during his tenure.⁸² As Indus had positive Adjusted Revenues Over (Under) Expenditures Per ADM in 2020 and 2021, and a positive average during the full 2018-2021 period, this is a positive indication of Indus' long-term operational viability.

The difference in conclusions between the Unadjusted and Adjusted Indus Revenues Over (Under) Expenditures Per ADM⁸³ indicate that any issues concerning Indus' financial viability would likely stem from prolonged and significant capital expenditures. Therefore, it is crucial that the District effectively and carefully manage capital expenditures and related investment spending in order to sustain this financial viability.

By monitoring and controlling these capital expenditures, the District can maintain a favorable financial trajectory and uphold the long-term operational sustainability of Indus. This proactive approach will enable the school to allocate resources efficiently and optimize its financial position while delivering quality education to its students.

From Northome's Adjusted Revenue Over (Under) Expenditures Per ADM figures, I note:

- With the normalization entries to remove the non-operational capital expenditures and depreciation, Northome appears to have had six consecutive years⁸⁴ of excess revenues over expenditures per student.
- During Tammi's 2018 through 2021 tenure, Northome's Revenues Over (Under) Expenditures Per ADM averaged \$4,641.85.

⁸¹ 2016 and 2017

⁸² It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. I reserve the right to amend or supplement my report based on the availability of new information. An analysis of the District's general ledger may or may not conclude that there were instances of financial mismanagement, embezzlement, or other irregularities. If this is the case, then any items consistent with financial mismanagement, embezzlement, or other irregularities would be removed from the appropriate Adjusted Revenues Over (Under) Expenditure conclusions. In such a case, Indus' financial viability could be further improved.

⁸³ The difference between Unadjusted and Adjusted Revenues Over (Under) Expenditures Per ADM is related to the removal of funding related to capital expenditures, reversal of the costs of the capital expenditures, and removal of the related non-cash depreciation expense.

⁸⁴ Based on a six-year (2016-2021) analysis.

It could be argued that Tammi maintained Northome's historic profitability and financial viability during his tenure.⁸⁵

While positive Revenues Over Expenditures Per ADM demonstrate a favorable financial position, it is essential to consider whether the excess revenues are being effectively utilized to enhance the educational experience and outcomes for students. This metric should not be seen as a justification for excessive budgetary reserves or neglecting investments in key areas such as curriculum development, instructional resources, infrastructure, or staff professional development. A balanced approach is required, ensuring that financial stability is coupled with a strategic focus on continuous improvement and student success.

Prolonged Revenues Over Expenditures Per ADM could also indicate a possibility of an unfair allocation between shared District-wide expenses between Northome and Indus. When examining the financial performance of a school based on the Revenues Over Expenditures Per ADM metric, it is essential to consider whether the allocation of expenses accurately reflects the specific needs and resources of each school. Discrepancies in the allocation methodology or unequal distribution of shared expenses could result in an inflated profitability figure for one school while potentially burdening the other.⁸⁶

Therefore, an accurate conclusion regarding Northome's Revenues Over (Under) Expenditures Per ADM figure would depend on the current fairness of expense allocation between Northome and Indus. Should the allocation be deemed fair, the analysis and figures mentioned earlier would suggest that Northome should assess its educational offerings and identify areas for enhancement while considering these improvements in its upcoming budget. Conversely, if the allocation is determined to be unfair, then a comprehensive review of the District's general ledger is necessary to provide a more precise understanding of Northome and Indus' current financial standing.

⁸⁵ It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. I reserve the right to amend or supplement my report based on the availability of new information. An analysis of the District's general ledger may or may not conclude that there were instances of financial mismanagement, embezzlement, or other irregularities. If this is the case, then any items consistent with financial mismanagement, embezzlement, or other irregularities would be removed from the appropriate Adjusted Revenues Over (Under) Expenditure conclusions. In such a case, Northome's financial viability could be further improved.

⁸⁶ If I had conducted a detailed review of the District's general ledger, I would have been able to provide an analysis of how expenses are allocated between Northome and Indus. Such an analysis would offer valuable insights into the specific practices currently employed to allocate shared expenses. However, it is important to note that I would not be able to form an opinion on the *fairness* of the allocation. While I can provide information on the allocation methodology, determining fairness requires a deeper, legal examination of the District's policies, guidelines, and the overall context in which the expenses are allocated.

Comparison of Revenues

I was asked to compare the types and amounts of revenues, bonds, and/or other funds, including COVID-19 funds, received by the School during Tammi's tenure with those received under the tenure of past superintendents.

To do this, I analyzed revenues into various funds, primarily the General Fund, using a combination of audit reports and MDE Revenue reports. Full copies of my analyses are included as exhibits to this report.

Audit Reports

Total District

In Exhibit 4: Audited Statements of Combined Revenues, Expenditures, and Fund Balances by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of the District's 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 revenues.⁸⁷ In my horizontal analysis of the District, I note:

- The average annual Total District Revenues for the entire period analyzed⁸⁸ was \$6,354,421.
- The average annual Total District Revenues during Tammi's 2018 to 2022 tenure was \$6,604,448.
- The average annual Total District Revenues prior to Tammi's tenure⁸⁹ was \$6,041,888.

Based on the horizontal analysis of the District's audited Statements of Revenues, Expenditures, and Fund Balances, a comparison of revenues during Tammi's tenure versus revenues prior to Tammi's tenure reveals an overall positive trend. The average annual Total District Revenues during Tammi's 2018 to 2022 tenure were \$6,604,448, which is higher than the average annual Total District Revenues prior to Tammi's tenure, which stood at \$6,041,888. This indicates an increase in revenues during Tammi's tenure, suggesting that his efforts may have contributed to improving the District's financial performance and generating higher revenues.

MDE Revenue and Expenditure Reports

Total District

In Exhibit 6: Total District Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of the District's 2015 through 2021 publicly-available MDE Revenue Reports. These reports compile information primarily related to the District's general fund. From this analysis, I note:

- The average annual Total General Fund Revenues for the entire period analyzed⁹⁰ was \$5,691,579.
- The average annual Total General Fund Revenues during Tammi's 2018 to 2021 tenure was \$5,877,614.

⁸⁷ 2013 and 2015 Audit Reports were not available to me.

⁸⁸ 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

⁸⁹ Using 2012, 2014, 2016, and 2017 data, as 2013 and 2015 audit reports were not available to me.

⁹⁰ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

- The average annual Total General Fund Revenues prior to Tammi's tenure⁹¹ was \$5,443,532.

Based on the horizontal analysis of the District's publicly-available MDE Revenue Reports in Exhibit 6, a comparison of Total General Fund Revenues during Tammi's tenure versus revenues prior to Tammi's tenure reveals an overall positive trend. The average annual Total General Fund Revenues during Tammi's 2018 to 2021 tenure were \$5,877,614, which is higher than the average annual Total General Fund Revenues prior to Tammi's tenure, amounting to \$5,443,532. This indicates an increase in general fund revenues during Tammi's tenure, suggesting that his efforts may have contributed to enhancing the District's financial position and generating higher revenues in the general fund.

Combined Indus Elementary and Secondary

In Exhibit 9: Indus Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Indus's 2015 through 2021 publicly-available MDE Revenue Reports. From this analysis, I note:

- The average annual Indus General Fund Revenues for the entire period analyzed⁹² was \$2,229,317.
- The average annual Indus General Fund Revenues during Tammi's 2018 to 2021 tenure was \$2,298,534.
- The average annual Indus General Fund Revenues prior to Tammi's tenure⁹³ was \$2,137,027.

Based on the horizontal analysis of Indus Elementary and Secondary Combined Revenues Over (Under) Expenditures in Exhibit 9, which utilizes Indus's publicly-available MDE Revenue Reports from 2015 to 2021, a comparison of Indus's General Fund Revenues during Tammi's tenure versus revenues prior to his tenure reveals an overall positive trend. The average annual Indus General Fund Revenues during Tammi's 2018 to 2021 tenure were \$2,298,534, which is higher than the average annual Indus General Fund Revenues prior to Tammi's tenure, amounting to \$2,137,027. This indicates an increase in general fund revenues at Indus during Tammi's leadership, suggesting his potential contribution to enhancing the financial position of Indus Elementary and Secondary.

Combined Northhome Elementary and Secondary

In Exhibit 12: Northhome Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Northhome's 2015 through 2021 publicly-available MDE Revenue Reports. From this analysis, I note:

- The average annual Northhome General Fund Revenues for the entire period analyzed⁹⁴ was \$3,436,603.
- The average annual Northhome General Fund Revenues during Tammi's 2018 to 2021 tenure was \$3,556,943.

⁹¹ Using 2015, 2016, and 2017 data.

⁹² 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

⁹³ Using 2015, 2016, and 2017 data.

⁹⁴ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

- The average annual Northome General Fund Revenues prior to Tammi's tenure⁹⁵ was \$3,276,151.

Based on the horizontal analysis of Northome Elementary and Secondary Combined Revenues Over (Under) Expenditures in Exhibit 12, which utilizes Northome's publicly-available MDE Revenue Reports from 2015 to 2021, a comparison of Northome's General Fund Revenues during Tammi's tenure versus revenues prior to his tenure shows an overall positive trend. The average annual Northome General Fund Revenues during Tammi's 2018 to 2021 tenure were \$3,556,943, which is higher than the average annual Northome General Fund Revenues prior to Tammi's tenure, amounting to \$3,276,151. This indicates an increase in general fund revenues at Northome during Tammi's leadership, suggesting his potential contribution to improving the financial position of Northome Elementary and Secondary.

Summary

The comprehensive analysis of the District's financial data, as presented in Exhibits 4, 6, 9, and 12, provides valuable insights into the financial performance and trends of the District as well as the individual schools within it. The horizontal analysis of the audited statements, combined with the review of the publicly-available MDE Revenue Reports, allows for a comparison of revenues and expenditures over multiple years and between multiple funds.

The findings reveal that during Tammi's tenure, both the District as a whole and the individual schools experienced positive trends in their general fund revenues. Tammi's appointment appears to have contributed to improved financial viability and operational profitability (to the extent those factors relate to revenues) as demonstrated by higher average annual revenues during his tenure compared to the periods prior to his appointment.

However, it is important to note that the analysis focuses on revenues and does not provide a comprehensive assessment of all aspects of the District's financial health. Factors such as the allocation of expenses between schools and the impact of capital expenditures require further examination to ensure a complete understanding of the District's financial position.

⁹⁵ Using 2015, 2016, and 2017 data.

Comparison of Expenditures

I was asked to examine the nature and amounts of expenditures of the School in an attempt to identify any repeated patterns of alarming spending that could reasonably be indicative of financial mismanagement, embezzlement, or other irregularities.

To do this, I analyzed expenditures from various funds, primarily the General Fund, using a combination of audit reports and MDE Expenditure reports. Full copies of my analyses are included as exhibits to this report.

Audit Reports

Total District

In Exhibit 4: Audited Statements of Combined Revenues, Expenditures, and Fund Balances by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of the District's 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 expenditures.⁹⁶ In my horizontal analysis of the District, I note:

- The average annual Total District Expenditures for the entire period analyzed⁹⁷ was \$6,588,137.
- The average annual Total District Expenditures during Tammi's 2018 to 2022 tenure was \$6,899,498.
- The average annual Total District Expenditures prior to Tammi's tenure⁹⁸ was \$6,198,936.

Upon analyzing the District's audited Statements of Revenues, Expenditures, and Fund Balances in Exhibit 4, it is evident that there has been an increase in average annual Total District Expenditures during Tammi's tenure compared to the period before his appointment. The average annual Total District Expenditures during Tammi's 2018 to 2022 tenure amounted to \$6,899,498, whereas the average annual Total District Expenditures prior to his tenure was \$6,198,936. This increase in expenditures could indicate that Tammi implemented initiatives or programs that required additional financial resources to support the District's operations. It would be recommended to further analyze the nature and breakdown of these expenditures to determine their alignment with the District's strategic goals and objectives and assess the efficiency and effectiveness of the expenditure allocation.⁹⁹

MDE Expenditure Reports

Total District

In Exhibit 6: Total District Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of the District's 2015 through 2021 publicly-available MDE Expenditures. These reports compile information primarily related to the District's general fund. From this analysis, I note:

⁹⁶ 2013 and 2015 Audit Reports were not available to me.

⁹⁷ 2012, 2014, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

⁹⁸ Using 2012, 2014, 2016, and 2017 data, as 2013 and 2015 audit reports were not available to me.

⁹⁹ It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. However, to further analyze the nature and breakdown of the expenditures, general ledgers would be necessary.

- The average annual Total General Fund Expenditures for the entire period analyzed¹⁰⁰ was \$5,718,726.
- The average annual Total General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$5,912,171.
- The average annual Total General Fund Expenditures prior to Tammi's tenure¹⁰¹ was \$5,460,801.

Upon conducting a horizontal analysis of the District's publicly-available MDE Expenditure Reports in Exhibit 6, it becomes evident that there has been an increase in average annual Total General Fund Expenditures during Tammi's tenure compared to the period before his appointment. The average annual Total General Fund Expenditures during Tammi's 2018 to 2021 tenure amounted to \$5,912,171, whereas the average annual Total General Fund Expenditures prior to his tenure were \$5,460,801. This rise in expenditures suggests that Tammi's leadership may have led to the implementation of new initiatives or programs that required additional financial resources. It would be recommended to assess the composition and allocation of these expenditures to ensure they align with the District's strategic objectives and evaluate their overall efficiency and effectiveness.¹⁰²

Combined Indus Elementary and Secondary

In Exhibit 9: Indus Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Indus's 2015 through 2021 publicly-available MDE Expenditure Reports. From Indus's 2015 through 2021 MDE Expenditure Reports, I note:

- The average annual Indus General Fund Expenditures for the entire period analyzed¹⁰³ was \$2,420,718.
- The average annual Indus General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$2,461,183.
- The average annual Indus General Fund Expenditures prior to Tammi's tenure¹⁰⁴ was \$2,366,765.

After conducting a horizontal analysis of Indus's publicly-available MDE Expenditure Reports in Exhibit 9, it is evident that there has been a slight increase in average annual Indus General Fund Expenditures during Tammi's tenure compared to the period before his appointment. The average annual Indus General Fund Expenditures during Tammi's 2018 to 2021 tenure amounted to \$2,461,183, whereas the average annual Indus General Fund Expenditures prior to his tenure were \$2,366,765. This rise in expenditures may indicate the implementation of new programs or initiatives aimed at enhancing the educational experience at Indus. It is essential to evaluate the nature and effectiveness of these expenditures to ensure they align with the district's goals and priorities and contribute to the overall improvement of Indus's educational outcomes.¹⁰⁵

¹⁰⁰ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

¹⁰¹ Using 2015, 2016, and 2017 data.

¹⁰² It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. However, to further analyze the nature and breakdown of the expenditures, general ledgers would be necessary.

¹⁰³ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

¹⁰⁴ Using 2015, 2016, and 2017 data.

¹⁰⁵ It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. However, to further analyze the nature and breakdown of the expenditures, general ledgers would be necessary.

Combined Northome Elementary and Secondary

In Exhibit 12: Northome Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year (attached to the end of this report), I conducted a horizontal analysis of Northome's 2015 through 2021 publicly-available MDE Expenditure Reports. From this analysis, I note:

- The average annual Northome General Fund Expenditures for the entire period analyzed¹⁰⁶ was \$3,243,639.
- The average annual Northome General Fund Expenditures during Tammi's 2018 to 2021 tenure was \$3,400,589.
- The average annual Northome General Fund Expenditures prior to Tammi's tenure¹⁰⁷ was \$3,034,373.

Upon analyzing Northome's publicly-available MDE Expenditure Reports in Exhibit 12, it is evident that there has been an increase in average annual Northome General Fund Expenditures during Tammi's tenure compared to the period prior to his appointment. The average annual Northome General Fund Expenditures during Tammi's 2018 to 2021 tenure amounted to \$3,400,589, while the average annual Northome General Fund Expenditures before his tenure were \$3,034,373. This rise in expenditures may indicate the implementation of new initiatives or investments aimed at enhancing the educational experience at Northome. It is crucial to assess the impact and effectiveness of these expenditures to ensure they align with the district's objectives and contribute to the overall improvement of Northome's educational outcomes.¹⁰⁸

Summary

The comprehensive analysis of the District's financial data, as presented in Exhibits 4, 6, 9, and 12, provides valuable insights into the financial performance and trends of the District as well as the individual schools within it. The horizontal analysis of the audited statements, combined with the review of the publicly-available MDE Expenditure Reports, allows for a comparison of expenditures over multiple years and between multiple funds.

The findings reveal that during Tammi's tenure, both the District as a whole and the individual schools experienced negative trends in their general fund expenditures. Tammi's appointment appears to have contributed to increased costs for both schools and the District as a whole; however, coupled with the increase in revenues, the higher levels of expenditures do not pose an initial threat to the financial viability and operational profitability of either school or the District as a whole. However, it remains crucial to assess the impact and effectiveness of these expenditures to ensure they align with the district's objectives and contribute to the overall improvement of Northome's educational outcomes.¹⁰⁹

¹⁰⁶ 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

¹⁰⁷ Using 2015, 2016, and 2017 data.

¹⁰⁸ It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. However, to further analyze the nature and breakdown of the expenditures, general ledgers would be necessary.

¹⁰⁹ It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. However, to further analyze the nature and breakdown of the expenditures, general ledgers would be necessary.

Conclusion

This report presented the findings of my forensic accounting analysis on the Indus School in response to concerns regarding its financial performance and potential closure. The analyses aimed to assess the accuracy and reliability of Superintendent Jeremy Tammi's reports, evaluate the School's profitability, compare revenue trends under Tammi's tenure with past superintendents, and examine expenditure patterns for indications of financial mismanagement.

The analysis concludes that Tammi's reports are incomplete, inaccurate, inadequate, irrelevant, and unreasonable, and should not be relied upon to assess the financial viability of the District, Northome School, or Indus School.

It could be argued that Tammi improved Indus' profitability and financial viability during his tenure, as evidenced by positive Adjusted Revenues Over (Under) Expenditures Per ADM, indicating long-term operational viability. Though, as discussed throughout this report, Indus' financial viability has been satisfactory throughout the periods analyzed.

There was an overall increase in revenues during Tammi's tenure compared to previous periods. However, further examination is needed to determine the impact of expense allocation between the Indus and Northome Schools.

Similarly, expenditures showed an upward trend under Tammi's tenure, but when considered alongside the increased revenues, they do not pose an immediate threat to the financial viability and operational profitability of the School.

High, excessive, ongoing, or unrelenting capital expenditures could pose a risk to the School, if continued over a significant amount of time. It is crucial for the Board to effectively manage and control capital expenditure levels to ensure long-term financial stability of Indus, Northome, and the District as a whole.

To ensure a comprehensive understanding of the District's financial position, it is recommended to conduct a detailed review of expense allocation, including shared expenses, and carefully manage capital expenditures and investment spending.¹¹⁰

Overall, the Indus School's financial viability was not accurately presented in Tammi's report, the Indus School was financially viable during the periods analyzed, and it appears the Indus School will remain financially viable as long as it manages its capital expenditures and investment spending.

¹¹⁰ It should be noted that my analysis did not include a detailed review of the District's general ledger due to lack of availability of the general ledger as of the date of this report. However, to further analyze the nature and breakdown of the expenditures, general ledgers would be necessary.

Appendix

Qualifications

Miranda Kishel is a specialized advisor on business valuation, value-driven growth, succession planning, and forensic accounting. Through her company, Development Theory LLC, she is a part of the Entrepreneur Fund's independent Expert Network. Miranda also provides support to two Chicago firms - Epstein + Nach and Gould & Pakter - in the completion of business valuation, business calculation, forensic accounting, economic damages, and asset tracing engagements.

WORK EXPERIENCE

Previously, Miranda held a Business Developer position at the Entrepreneur Fund, a community development financial institution with the mission "to actively partner with entrepreneurs to create growing businesses, thriving communities, and a diverse regional economy." Through this job, she often provided a combination of consulting, lending, and valuation services to small business owners across northern Minnesota's Iron Range and beyond. Miranda also helped redesign and taught a class on strategic business planning hosted by the Entrepreneur Fund.

Prior to working at the Entrepreneur Fund, Miranda worked in the banking, accounting, and tourism industries. In her early twenties, she started a real estate development company as a side business and built a portfolio of three investment properties in her hometown of Tower, Minnesota: a vacation rental cabin on Lake Vermilion, a residential rental property, and a multi-use commercial building. For two of these three, she acted as the general contractor on significant construction projects.

PROFESSIONAL DEVELOPMENT

Miranda serves as the Secretary / Treasurer of the Tower Economic Development Authority, a subcommittee of the local city council. Its mission is to "promote local businesses and local business expansion, recruit new businesses, ... encourage the development of housing within the city ... [and] facilitate redevelopment of the city."

In the future, you can expect to see articles written or co-authored by Miranda and published in the National Association of Certified Valuators and Analysts' ("NACVA") journal, *The Value Examiner*, or its email newsletter, *QuickRead*.

EDUCATIONAL BACKGROUND

After graduating from Mesabi Range College with an Associate of Arts degree a month before graduating from Virginia High School, she attended the University of Minnesota Crookston. Miranda completed two degrees: a Bachelor of Arts in Finance and a Bachelor of Science in Accounting. Shortly after, she went on to complete her Master of Business Administration in Organizational Strategy from Capella University.

Miranda holds the NACVA's Certified Valuation Analyst ("CVA") designation and the IEPA's Certified Business Exit Consultant ("CBEC") designation. Miranda has also received training on various topics from the National Credit Union Administration, Small Business Administration, Consultants' Training Institute, and Business Valuation Resources related to lending, banking, real estate, entrepreneurship, business valuations, economic damages, and forensic accounting.

Exhibits

**Indus School
Forensic Accounting Analysis
Exhibit 1**

Student Count by School by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
Indus Elementary	63.17	39.88	47.65	57.08	53.58	57.45	51.35
Indus Secondary	60.10	49.45	48.61	51.88	49.40	44.93	50.31
Indus Total	123.27	89.33	96.26	108.96	102.98	102.38	101.66
YOY Change	N/A	-27.53%	7.76%	13.19%	-5.49%	-0.58%	-0.70%
Northome Elementary	115.76	97.56	110.19	101.19	110.99	111.73	106.46
Northome Secondary	90.91	80.76	74.32	70.52	78.57	74.80	73.71
Northome Total	206.67	178.32	184.51	171.71	189.56	186.53	180.17
YOY Change	N/A	-13.72%	3.47%	-6.94%	10.40%	-1.60%	-3.41%
Other	1.00	2.92	5.68	4.17	2.56	2.83	0.16
Total (Whole District)	330.94	270.57	286.45	284.84	295.10	291.74	281.99
YOY Change	N/A	-18.24%	5.87%	-0.56%	3.60%	-1.14%	-3.34%

Indus School
Forensic Accounting Analysis
Exhibit 2

Statistical Analysis of Student Count

Fiscal Years 2015 through 2021

Indus

Volatility of Enrollment (Std. Dev.) 0.1410

Northome

Volatility of Enrollment (Std. Dev.) 0.0834

Whole District

Volatility of Enrollment (Std. Dev.) 0.0850

Indus School
Forensic Accounting Analysis
Exhibit 4

South Koochiching School District #363
Audited Statements of Combined Revenues, Expenditures, and Fund Balances by Fiscal Year

	2012	2014	2016	2017	2018	2019	2020	2021	2022
Revenues									
General Fund Revenues	\$ 5,805,030	\$ 5,759,249	\$ 5,263,409	\$ 5,146,702	\$ 5,666,776	\$ 5,849,952	\$ 6,093,999	\$ 5,934,120	\$ 6,993,642
Debt Service Fund Revenues	\$ 517,991	\$ 221,712	\$ 193,701	\$ 220,565	\$ 183,264	\$ 202,483	\$ 186,276	\$ 208,103	\$ 200,576
Building Fund Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,331)
Nonmajor Governmental Fund Revenues	\$ -	\$ 298,236	\$ 241,082	\$ 257,553	\$ 294,748	\$ 249,133	\$ 283,104	\$ 336,608	\$ 355,785
Other Governmental Funds Revenues	\$ 242,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 6,565,342	\$ 6,279,197	\$ 5,698,192	\$ 5,624,820	\$ 6,144,788	\$ 6,301,568	\$ 6,563,379	\$ 6,478,831	\$ 7,533,672
Expenditures									
General Fund Expenditures	\$ 5,366,411	\$ 5,910,252	\$ 5,316,321	\$ 5,191,840	\$ 5,628,436	\$ 6,435,112	\$ 5,728,576	\$ 5,924,006	\$ 7,683,040
Debt Service Fund Expenditures	\$ 562,773	\$ 221,625	\$ 203,150	\$ 199,000	\$ 200,600	\$ 202,125	\$ 198,525	\$ 204,475	\$ 199,725
Building Fund Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,101
Nonmajor Governmental Fund Expenditures	\$ -	\$ 572,198	\$ 366,047	\$ 373,194	\$ 417,795	\$ 412,677	\$ 390,659	\$ 389,926	\$ 375,713
Other Governmental Funds Expenditures	\$ 512,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 6,442,117	\$ 6,704,075	\$ 5,885,518	\$ 5,764,034	\$ 6,246,831	\$ 7,049,914	\$ 6,317,760	\$ 6,518,407	\$ 8,364,579
Revenues Over (Under) Expenditures	\$ 123,225	\$ (424,878)	\$ (187,326)	\$ (139,214)	\$ (102,043)	\$ (748,346)	\$ 245,619	\$ (39,576)	\$ (830,907)
Other Items									
General Fund Sale of Capital Asset	\$ -	\$ 8,962	\$ 5,156	\$ 437	\$ 500	\$ 3,151	\$ -	\$ 501	\$ 1,210
General Fund Transfers Out	\$ (119,315)	\$ (89,417)	\$ (115,670)	\$ (98,724)	\$ (115,553)	\$ (138,006)	\$ (109,083)	\$ (55,996)	\$ (32,843)
Debt Service Fund Bonds Issued	\$ 2,090,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Payment Refunding Bond	\$ (2,060,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Premium on Bonds Issued	\$ 25,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,682
Building Fund Debt Issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,788,336
Building Fund Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (82,682)
Nonmajor Governmental Funds Transfers In	\$ -	\$ 89,417	\$ 115,670	\$ 98,724	\$ 115,553	\$ 138,006	\$ 109,083	\$ 55,996	\$ 32,843
Other Governmental Fund Bonds Issued	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Governmental Fund Transfers In	\$ 119,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Items	\$ 270,611	\$ 8,962	\$ 5,156	\$ 437	\$ 500	\$ 3,151	\$ -	\$ 501	\$ 3,789,546
Net Change in Combined Fund Balances	\$ 393,836	\$ (415,916)	\$ (182,170)	\$ (138,777)	\$ (101,543)	\$ (745,195)	\$ 245,619	\$ (39,075)	\$ 2,958,639

Indus School
Forensic Accounting Analysis
Exhibit 5

South Koochiching School District #363
Audited Reconciliations of Combined Revenues, Expenditures, and Fund Balances by Fiscal Year

	2012	2014	2016	2017	2018	2019	2020	2021	2022
Net Change in Combined Fund Balances	\$ 393,836	\$ (415,916)	\$ (182,170)	\$ (138,777)	\$ (101,543)	\$ (745,195)	\$ 245,619	\$ (39,075)	\$ 2,958,639
Reconciliation Items									
Plus Capital Outlays	\$ 36,524	\$ 298,001	\$ -	\$ -	\$ 74,146	\$ 369,692	\$ 113,561	\$ 152,245	\$ 1,308,296
Less Depreciation Expense	\$ (300,612)	\$ (300,594)	\$ (309,881)	\$ (296,323)	\$ (289,181)	\$ (306,429)	\$ (330,072)	\$ (326,407)	\$ (331,544)
Less Net Effect of Decreases on Capital Assets	\$ (3,115)	\$ (26,952)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Issuance of Long-Term Debt	\$ (2,305,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,730,000)
Plus (Less) Gain (Loss) on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 4,500	\$ 501	\$ (17,169)
Plus Payment of Debt	\$ 2,506,335	\$ 165,000	\$ 170,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 180,000	\$ 190,000	\$ 198,616
Plus (Less) Accrued Interest	\$ 26,059	\$ 18,198	\$ 3,552	\$ 3,553	\$ 3,592	\$ 3,635	\$ 3,823	\$ 4,114	\$ (72,596)
Plus (Less) Change in Net Pension Liability	\$ -	\$ -	\$ (495,750)	\$ (7,412,651)	\$ 2,355,848	\$ 5,337,934	\$ (194,682)	\$ (115,983)	\$ 1,301,121
Plus (Less) Change in Deferred Net Pension Liability	\$ -	\$ -	\$ 510,560	\$ 6,150,236	\$ (3,153,366)	\$ (4,205,583)	\$ (60,685)	\$ (184,010)	\$ (1,039,647)
Plus (Less) Change in Post-Employment Benefit Liability:	\$ -	\$ -	\$ -	\$ 47,693	\$ (38,189)	\$ (11,075)	\$ (123,625)	\$ 17,803	\$ 19,926
Plus Change in Allowance for Uncollectible Taxes	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus (Less) Other Post-Employment Benefit Liability	\$ (41,800)	\$ 15,097	\$ 15,436	\$ -	\$ 48,820	\$ 33,968	\$ 120,294	\$ (19,660)	\$ (24,414)
Less Severance Payable	\$ -	\$ -	\$ -	\$ -	\$ (4,432)	\$ (12,688)	\$ (50,816)	\$ (762)	\$ 1,450
Plus (Less) Other Revenues (Losses)	\$ -	\$ (11,448)	\$ (6,206)	\$ (8,957)	\$ 2,394	\$ (3,580)	\$ 514	\$ (1,791)	\$ (1,558)
Change in Net Position from Governmental Activities	\$ 312,227	\$ (258,614)	\$ (287,459)	\$ (1,485,226)	\$ (926,911)	\$ 660,679	\$ (91,569)	\$ (323,025)	\$ 571,120

Indus School
Forensic Accounting Analysis
Exhibit 6

South Koochiching School District #363
Total District Revenues Over (Under) Expenditures by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
<u>General Education Revenue</u>							
Basic General Education	\$ 2,133,651.55	\$ 1,865,188.27	\$ 1,802,915.76	\$ 1,880,657.02	\$ 2,008,036.37	\$ 2,015,905.30	\$ 2,017,608.33
Extended Time	\$ -	\$ 9,824.64	\$ 30,394.98	\$ 14,429.94	\$ 14,020.58	\$ 14,685.79	\$ -
Compensatory	\$ 437,099.52	\$ 323,501.88	\$ 230,084.28	\$ 242,630.64	\$ 257,012.08	\$ 259,793.60	\$ 259,993.92
English Learner	\$ -	\$ -	\$ -	\$ 14,205.00	\$ 14,147.50	\$ 14,202.51	\$ 14,205.00
Sparsity	\$ 994,107.67	\$ 967,886.43	\$ 961,643.20	\$ 995,763.55	\$ 1,013,769.02	\$ 1,001,328.93	\$ 1,048,842.49
Operating Capital	\$ 81,670.08	\$ 66,999.73	\$ 67,738.89	\$ 69,685.82	\$ 73,290.79	\$ 72,028.84	\$ 71,093.60
Operating Referendum	\$ 121,869.60	\$ 99,498.03	\$ 57,403.82	\$ 102,503.10	\$ 46,332.31	\$ 36,560.92	\$ -
Location Equity	\$ -	\$ -	\$ 125,860.15	\$ -	\$ 134,887.12	\$ 131,940.31	\$ 116,777.41
Other General Ed	\$ 505,287.05	\$ 434,930.34	\$ 454,354.32	\$ 474,087.49	\$ 505,122.84	\$ 499,908.77	\$ 496,982.95
Total General Education Revenues	\$ 4,273,685.47	\$ 3,767,829.32	\$ 3,730,395.40	\$ 3,793,962.56	\$ 4,066,618.61	\$ 4,046,354.97	\$ 4,025,503.70
<u>Other General Fund Revenues:</u>							
Special Education	\$ 580,074.61	\$ 417,085.21	\$ 446,441.58	\$ 490,358.61	\$ 542,465.87	\$ 547,700.08	\$ 532,653.08
Title 1	\$ 80,492.33	\$ 104,433.72	\$ 103,290.00	\$ 105,217.13	\$ 108,571.05	\$ 106,843.98	\$ 83,340.21
Q Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating	\$ 934,510.60	\$ 934,864.52	\$ 809,283.57	\$ 1,188,492.55	\$ 1,011,407.38	\$ 1,256,757.57	\$ 1,160,160.45
Other Capital Expenditure	\$ 51,723.67	\$ 39,195.49	\$ 57,291.28	\$ 88,744.65	\$ 120,889.39	\$ 118,248.41	\$ 116,165.99
Total Other General Education Revenues	\$ 1,646,801.21	\$ 1,495,578.94	\$ 1,416,306.43	\$ 1,872,812.94	\$ 1,783,333.69	\$ 2,029,550.04	\$ 1,892,319.73
General Fund Revenue Total	\$ 5,920,486.68	\$ 5,263,408.26	\$ 5,146,701.83	\$ 5,666,775.50	\$ 5,849,952.30	\$ 6,075,905.01	\$ 5,917,823.43
Revenue Dollars Per ADM	\$ 17,889.91	\$ 19,453.04	\$ 17,967.19	\$ 19,894.59	\$ 19,823.63	\$ 20,826.44	\$ 20,985.93
<u>General Operating Fund Expenditures</u>							
District Level Administration	\$ 305,868.54	\$ 328,824.05	\$ 339,982.03	\$ 419,308.35	\$ 483,188.19	\$ 409,889.02	\$ 386,967.59
School Level Administration	\$ 92,752.17	\$ 89,070.32	\$ 87,299.18	\$ 89,183.46	\$ 83,056.49	\$ 90,373.10	\$ 91,171.52
Regular Instruction	\$ 2,527,760.63	\$ 2,403,675.59	\$ 2,316,758.90	\$ 2,494,515.73	\$ 2,528,541.90	\$ 2,363,252.56	\$ 2,539,193.53
Career and Technical Instruction	\$ 111,559.56	\$ 77,758.75	\$ 86,505.35	\$ 75,729.32	\$ 90,096.62	\$ 106,372.37	\$ 43,500.37
Special Education	\$ 741,397.28	\$ 610,455.73	\$ 575,260.41	\$ 626,061.45	\$ 697,916.17	\$ 650,139.43	\$ 730,839.09
Student Activities and Athletics	\$ 198,818.04	\$ 182,894.69	\$ 184,450.71	\$ 190,692.60	\$ 187,606.37	\$ 209,373.53	\$ 196,989.39
Instructional Support Services	\$ 82,007.85	\$ 85,536.10	\$ 57,068.25	\$ 56,044.15	\$ 58,510.09	\$ 41,240.38	\$ 51,523.89
Pupil Support Services	\$ 357,871.41	\$ 311,683.87	\$ 324,881.21	\$ 334,377.81	\$ 350,579.54	\$ 339,109.99	\$ 413,212.75
Operation Maintenance and Other	\$ 523,239.52	\$ 560,807.28	\$ 537,706.24	\$ 574,208.07	\$ 610,529.11	\$ 623,406.78	\$ 601,959.81
Student Transportation	\$ 671,342.09	\$ 582,885.29	\$ 605,517.16	\$ 620,684.51	\$ 709,724.34	\$ 633,720.05	\$ 615,716.43
Total General Operating Fund Expenditures	\$ 5,612,617.09	\$ 5,233,591.67	\$ 5,115,429.44	\$ 5,480,805.45	\$ 5,799,748.82	\$ 5,466,877.21	\$ 5,671,074.37
<u>Other Expenditures</u>							
Capital Expenditures	\$ 278,326.69	\$ 82,728.38	\$ 59,709.55	\$ 131,855.85	\$ 618,080.36	\$ 243,606.85	\$ 236,633.56
Total Other Expenditures	\$ 278,326.69	\$ 82,728.38	\$ 59,709.55	\$ 131,855.85	\$ 618,080.36	\$ 243,606.85	\$ 236,633.56
General Fund Expenditure Total	\$ 5,890,943.78	\$ 5,316,320.05	\$ 5,175,138.99	\$ 5,612,661.30	\$ 6,417,829.18	\$ 5,710,484.06	\$ 5,907,707.93
Expenditure Dollars Per ADM	\$ 17,800.64	\$ 19,648.59	\$ 18,066.47	\$ 19,704.61	\$ 21,747.98	\$ 19,573.88	\$ 20,950.06
Revenues Over (Under) Expenditures	\$ 29,542.90	\$ (52,911.79)	\$ (28,437.16)	\$ 54,114.20	\$ (567,876.88)	\$ 365,420.95	\$ 10,115.50
Revenues Over (Under) Expenditures Per ADM	\$ 89.27	\$ (195.56)	\$ (99.27)	\$ 189.98	\$ (1,924.35)	\$ 1,252.56	\$ 35.87
<u>Normalization Adjustments</u>							
Remove Funding Related to Capital Expenditures	\$ (51,723.67)	\$ (39,195.49)	\$ (57,291.28)	\$ (88,744.65)	\$ (120,889.39)	\$ (118,248.41)	\$ (116,165.99)
Add Back Costs Associated with Capital Expenditures	\$ 278,326.69	\$ 82,728.38	\$ 59,709.55	\$ 131,855.85	\$ 618,080.36	\$ 243,606.85	\$ 236,633.56
Add Back Depreciation Expense	N/A	\$ 309,881.00	\$ 296,323.00	\$ 289,181.00	\$ 306,429.00	\$ 330,072.00	\$ 326,407.00
Normalized Revenues Over (Under) Expenditures	N/A	\$ 300,502.10	\$ 270,304.11	\$ 386,406.40	\$ 235,743.09	\$ 820,851.39	\$ 456,990.07
Normalized Revenues Over (Under) Expenditures Per ADM	N/A	\$ 1,110.63	\$ 943.63	\$ 1,356.57	\$ 798.86	\$ 2,813.64	\$ 1,620.59

Indus School
Forensic Accounting Analysis
Exhibit 7

South Koochiching School District #363
Indus Elementary Revenues Over (Under) Expenditures by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
<u>General Education Revenue</u>							
Basic General Education	\$ 367,321.28	\$ 254,275.72	\$ 272,844.44	\$ 340,765.88	\$ 327,294.31	\$ 351,412.16	\$ 328,620.53
Extended Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensatory	\$ 126,497.28	\$ 82,765.80	\$ 49,979.68	\$ 63,599.61	\$ 103,056.59	\$ 70,659.38	\$ 86,263.68
English Learner	\$ -	\$ -	\$ -	\$ 10,680.45	\$ 14,147.50	\$ 10,651.88	\$ 10,653.75
Sparsity	\$ 127,219.72	\$ 119,609.86	\$ 125,905.12	\$ 134,058.32	\$ 136,309.92	\$ 141,224.51	\$ 142,094.46
Operating Capital	\$ 14,060.01	\$ 9,133.88	\$ 10,251.27	\$ 12,626.73	\$ 11,945.83	\$ 12,556.05	\$ 11,579.46
Operating Referendum	\$ 20,980.60	\$ 13,564.28	\$ 8,687.21	\$ 18,573.06	\$ 7,551.81	\$ 6,373.29	\$ -
Location Equity	\$ -	\$ -	\$ 19,047.06	\$ -	\$ 21,985.55	\$ 22,999.80	\$ 19,020.27
Other General Ed	\$ 86,988.28	\$ 59,292.80	\$ 68,759.76	\$ 85,902.34	\$ 82,331.09	\$ 87,143.98	\$ 80,946.73
Total General Education Revenues	\$ 743,067.17	\$ 538,642.34	\$ 555,474.54	\$ 666,206.39	\$ 704,622.60	\$ 703,021.05	\$ 679,178.88
<u>Other General Fund Revenues:</u>							
Special Education	\$ 118,606.46	\$ 45,622.45	\$ 110,277.94	\$ 122,674.37	\$ 119,583.53	\$ 106,889.97	\$ 120,733.77
Title 1	\$ -	\$ 14,098.08	\$ 18,638.16	\$ 17,576.15	\$ 3,451.30	\$ 21,604.79	\$ -
Q Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating	\$ 179,011.42	\$ 138,399.25	\$ 135,688.48	\$ 239,283.56	\$ 184,680.12	\$ 247,867.97	\$ 210,313.58
Other Capital Expenditure	\$ 9,873.04	\$ 5,777.12	\$ 9,530.21	\$ 17,845.22	\$ 21,949.35	\$ 23,285.70	\$ 21,153.67
Total Other General Education Revenues	\$ 307,490.92	\$ 203,896.90	\$ 274,134.79	\$ 397,379.30	\$ 329,664.30	\$ 399,648.43	\$ 352,201.02
General Fund Revenue Total	\$ 1,050,558.09	\$ 742,539.24	\$ 829,609.33	\$ 1,063,585.69	\$ 1,034,286.90	\$ 1,102,669.48	\$ 1,031,379.90
Revenue Dollars Per ADM	\$ 16,630.65	\$ 18,619.34	\$ 17,410.48	\$ 18,633.25	\$ 19,303.60	\$ 19,193.55	\$ 20,085.30
<u>General Operating Fund Expenditures</u>							
District Level Administration	\$ 58,384.35	\$ 48,466.21	\$ 56,554.87	\$ 84,026.54	\$ 87,730.34	\$ 80,716.13	\$ 70,466.28
School Level Administration	\$ 11,491.56	\$ 11,792.33	\$ 11,250.73	\$ 11,945.14	\$ 12,276.71	\$ 12,578.72	\$ 12,406.20
Regular Instruction	\$ 563,620.21	\$ 503,790.98	\$ 432,259.53	\$ 498,930.51	\$ 503,969.23	\$ 482,351.99	\$ 368,612.60
Career and Technical Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	\$ 144,030.56	\$ 59,792.29	\$ 133,951.47	\$ 148,590.50	\$ 147,128.40	\$ 124,165.76	\$ 155,957.94
Student Activities and Athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,914.00	\$ 9,205.91
Instructional Support Services	\$ 11,916.54	\$ 12,194.23	\$ 5,705.20	\$ 6,230.87	\$ 7,041.60	\$ 6,215.09	\$ 6,699.01
Pupil Support Services	\$ 73,036.84	\$ 63,689.73	\$ 69,274.61	\$ 72,286.92	\$ 85,207.90	\$ 73,652.65	\$ 83,829.90
Operation Maintenance and Other	\$ 54,412.40	\$ 52,542.97	\$ 45,886.44	\$ 51,234.77	\$ 52,731.99	\$ 62,738.99	\$ 62,280.94
Student Transportation	\$ 127,730.39	\$ 85,696.42	\$ 100,725.76	\$ 124,380.96	\$ 124,600.89	\$ 124,793.37	\$ 112,121.13
Total General Operating Fund Expenditures	\$ 1,044,622.85	\$ 837,965.16	\$ 855,608.61	\$ 997,626.21	\$ 1,020,687.06	\$ 983,126.70	\$ 881,579.91
<u>Other Expenditures</u>							
Capital Expenditures	\$ 50,379.31	\$ 14,927.92	\$ 13,553.47	\$ 26,434.03	\$ 115,999.58	\$ 50,921.58	\$ 41,555.75
Total Other Expenditures	\$ 50,379.31	\$ 14,927.92	\$ 13,553.47	\$ 26,434.03	\$ 115,999.58	\$ 50,921.58	\$ 41,555.75
General Fund Expenditure Total	\$ 1,095,002.16	\$ 852,893.08	\$ 869,162.08	\$ 1,024,060.24	\$ 1,136,686.64	\$ 1,034,048.28	\$ 923,135.66
Expenditure Dollars Per ADM	\$ 17,334.21	\$ 21,386.49	\$ 18,240.55	\$ 17,940.79	\$ 21,214.76	\$ 17,999.10	\$ 17,977.33
Revenues Over (Under) Expenditures	\$ (44,444.07)	\$ (110,353.84)	\$ (39,552.75)	\$ 39,525.45	\$ (102,399.74)	\$ 68,621.20	\$ 108,244.24
Revenues Over (Under) Expenditures Per ADM	\$ (703.56)	\$ (2,767.15)	\$ (830.07)	\$ 692.46	\$ (1,911.16)	\$ 1,194.45	\$ 2,107.97
<u>Normalization Adjustments</u>							
Remove Funding Related to Capital Expenditures	\$ (9,873.04)	\$ (5,777.12)	\$ (9,530.21)	\$ (17,845.22)	\$ (21,949.35)	\$ (23,285.70)	\$ (21,153.67)
Add Back Costs Associated with Capital Expenditures	\$ 50,379.31	\$ 14,927.92	\$ 13,553.47	\$ 26,434.03	\$ 115,999.58	\$ 50,921.58	\$ 41,555.75
Add Back Depreciation Expense	N/A	\$ 46,172.44	\$ 50,289.53	\$ 58,810.89	\$ 56,123.83	\$ 65,635.10	\$ 59,472.02
Normalized Revenues Over (Under) Expenditures	N/A	\$ (55,030.60)	\$ 14,760.04	\$ 106,925.15	\$ 47,774.32	\$ 161,892.18	\$ 188,118.34
Normalized Revenues Over (Under) Expenditures Per ADM	N/A	\$ (1,379.90)	\$ 309.76	\$ 1,873.25	\$ 891.64	\$ 2,817.97	\$ 3,663.45

Indus School
Forensic Accounting Analysis
Exhibit 8

South Koochiching School District #363
Indus Secondary Revenues Over (Under) Expenditures by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
<u>General Education Revenue</u>							
Basic General Education	\$ 437,765.44	\$ 380,630.38	\$ 364,250.50	\$ 394,029.06	\$ 382,309.31	\$ 358,462.94	\$ 404,162.66
Extended Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensatory	\$ 110,922.24	\$ 83,838.69	\$ 66,291.04	\$ 39,636.09	\$ 39,952.90	\$ 48,375.36	\$ 9,565.76
English Learner	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,550.63	\$ 3,551.25
Sparsity	\$ 353,038.83	\$ 313,447.74	\$ 316,236.39	\$ 339,203.27	\$ 334,252.86	\$ 317,753.58	\$ 351,158.85
Operating Capital	\$ 16,756.41	\$ 13,672.68	\$ 13,685.57	\$ 14,600.34	\$ 13,953.81	\$ 12,807.98	\$ 14,241.31
Operating Referendum	\$ 25,004.22	\$ 20,304.64	\$ 11,597.53	\$ 21,476.11	\$ 8,821.19	\$ 6,501.17	\$ -
Location Equity	\$ -	\$ -	\$ 25,428.04	\$ -	\$ 25,681.11	\$ 23,461.28	\$ 23,392.58
Other General Ed	\$ 103,670.72	\$ 88,756.57	\$ 91,795.08	\$ 99,329.25	\$ 96,170.15	\$ 88,892.45	\$ 99,554.48
Total General Education Revenues	\$ 1,047,157.86	\$ 900,650.70	\$ 889,284.15	\$ 908,274.12	\$ 901,141.33	\$ 859,805.39	\$ 905,626.89
<u>Other General Fund Revenues:</u>							
Special Education	\$ 190,732.05	\$ 150,110.34	\$ 115,712.30	\$ 124,161.24	\$ 156,043.33	\$ 132,127.88	\$ 110,463.79
Title 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Q Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating	\$ 166,365.59	\$ 167,090.24	\$ 134,991.98	\$ 215,291.24	\$ 168,245.12	\$ 191,947.72	\$ 213,692.80
Other Capital Expenditure	\$ 9,393.22	\$ 7,163.46	\$ 9,722.22	\$ 16,219.52	\$ 20,236.99	\$ 18,211.08	\$ 20,725.24
Total Other General Education Revenues	\$ 366,490.86	\$ 324,364.04	\$ 260,426.50	\$ 355,672.00	\$ 344,525.44	\$ 342,286.68	\$ 344,881.83
General Fund Revenue Total	\$ 1,413,648.72	\$ 1,225,014.74	\$ 1,149,710.65	\$ 1,263,946.12	\$ 1,245,666.77	\$ 1,202,092.07	\$ 1,250,508.72
Revenue Dollars Per ADM	\$ 23,521.61	\$ 24,772.80	\$ 23,651.73	\$ 24,362.88	\$ 25,215.93	\$ 26,754.78	\$ 24,856.07
<u>General Operating Fund Expenditures</u>							
District Level Administration	\$ 55,546.92	\$ 60,096.65	\$ 57,694.28	\$ 76,371.71	\$ 80,886.13	\$ 63,125.78	\$ 69,039.11
School Level Administration	\$ 25,298.59	\$ 22,672.91	\$ 20,129.87	\$ 19,727.06	\$ 21,123.39	\$ 21,968.19	\$ 21,534.26
Regular Instruction	\$ 592,165.04	\$ 563,593.86	\$ 562,182.45	\$ 581,540.38	\$ 605,271.85	\$ 541,474.11	\$ 597,691.60
Career and Technical Instruction	\$ 61,269.13	\$ 51,873.34	\$ 52,986.80	\$ 52,677.27	\$ 53,067.90	\$ 65,972.80	\$ 21,365.23
Special Education	\$ 236,582.22	\$ 211,047.80	\$ 140,789.76	\$ 151,220.66	\$ 194,560.72	\$ 154,716.03	\$ 142,063.18
Student Activities and Athletics	\$ 58,129.76	\$ 45,884.36	\$ 46,965.85	\$ 40,743.28	\$ 43,113.82	\$ 46,662.20	\$ 46,311.93
Instructional Support Services	\$ 24,493.72	\$ 27,643.92	\$ 17,180.75	\$ 24,482.45	\$ 25,417.29	\$ 14,736.95	\$ 19,814.80
Pupil Support Services	\$ 137,157.62	\$ 104,247.05	\$ 107,228.83	\$ 107,169.89	\$ 115,251.58	\$ 113,383.62	\$ 134,955.07
Operation Maintenance and Other	\$ 183,508.35	\$ 203,164.69	\$ 202,909.56	\$ 205,976.05	\$ 224,579.18	\$ 198,679.28	\$ 189,294.37
Student Transportation	\$ 121,522.82	\$ 106,260.99	\$ 102,755.07	\$ 113,049.83	\$ 114,880.25	\$ 97,597.32	\$ 109,850.33
Total General Operating Fund Expenditures	\$ 1,495,674.17	\$ 1,396,485.57	\$ 1,310,823.22	\$ 1,372,958.58	\$ 1,478,152.11	\$ 1,318,316.28	\$ 1,351,919.88
<u>Other Expenditures</u>							
Capital Expenditures	\$ 62,426.11	\$ 14,370.40	\$ 3,459.43	\$ 35,240.07	\$ 100,387.88	\$ 33,103.78	\$ 36,721.82
Total Other Expenditures	\$ 62,426.11	\$ 14,370.40	\$ 3,459.43	\$ 35,240.07	\$ 100,387.88	\$ 33,103.78	\$ 36,721.82
General Fund Expenditure Total	\$ 1,558,100.28	\$ 1,410,855.97	\$ 1,314,282.65	\$ 1,408,198.65	\$ 1,578,539.99	\$ 1,351,420.06	\$ 1,388,641.70
Expenditure Dollars Per ADM	\$ 25,925.13	\$ 28,530.96	\$ 27,037.29	\$ 27,143.38	\$ 31,954.25	\$ 30,078.35	\$ 27,601.70
Revenues Over (Under) Expenditures	\$ (144,451.56)	\$ (185,841.23)	\$ (164,572.00)	\$ (144,252.53)	\$ (332,873.22)	\$ (149,327.99)	\$ (138,132.98)
Revenues Over (Under) Expenditures Per ADM	\$ (2,403.52)	\$ (3,758.16)	\$ (3,385.56)	\$ (2,780.50)	\$ (6,738.32)	\$ (3,323.57)	\$ (2,745.64)
<u>Normalization Adjustments</u>							
Remove Funding Related to Capital Expenditures	\$ (9,393.22)	\$ (7,163.46)	\$ (9,722.22)	\$ (16,219.52)	\$ (20,236.99)	\$ (18,211.08)	\$ (20,725.24)
Add Back Costs Associated with Capital Expenditures	\$ 62,426.11	\$ 14,370.40	\$ 3,459.43	\$ 35,240.07	\$ 100,387.88	\$ 33,103.78	\$ 36,721.82
Add Back Depreciation Expense	N/A	\$ 57,252.44	\$ 51,302.71	\$ 53,453.20	\$ 51,745.38	\$ 51,331.33	\$ 58,267.52
Normalized Revenues Over (Under) Expenditures	N/A	\$ (121,381.85)	\$ (119,532.08)	\$ (71,778.78)	\$ (200,976.95)	\$ (83,103.96)	\$ (63,868.88)
Normalized Revenues Over (Under) Expenditures Per ADA	N/A	\$ (2,454.64)	\$ (2,459.00)	\$ (1,383.55)	\$ (4,068.36)	\$ (1,849.63)	\$ (1,269.51)

Indus School
Forensic Accounting Analysis
Exhibit 9

South Koochiching School District #363
Indus Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
<u>General Education Revenue</u>							
Basic General Education	\$ 805,086.72	\$ 634,906.10	\$ 637,094.94	\$ 734,794.94	\$ 709,603.62	\$ 709,875.10	\$ 732,783.19
Extended Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensatory	\$ 237,419.52	\$ 166,604.49	\$ 116,270.72	\$ 103,235.70	\$ 143,009.49	\$ 119,034.74	\$ 95,829.44
English Learner	\$ -	\$ -	\$ -	\$ 10,680.45	\$ 14,147.50	\$ 14,202.51	\$ 14,205.00
Sparsity	\$ 480,258.55	\$ 433,057.60	\$ 442,141.51	\$ 473,261.59	\$ 470,562.78	\$ 458,978.09	\$ 493,253.31
Operating Capital	\$ 30,816.42	\$ 22,806.56	\$ 23,936.84	\$ 27,227.07	\$ 25,899.64	\$ 25,364.03	\$ 25,820.77
Operating Referendum	\$ 45,984.82	\$ 33,868.92	\$ 20,284.74	\$ 40,049.17	\$ 16,373.00	\$ 12,874.46	\$ -
Location Equity	\$ -	\$ -	\$ 44,475.10	\$ -	\$ 47,666.66	\$ 46,461.08	\$ 42,412.85
Other General Ed	\$ 190,659.00	\$ 148,049.37	\$ 160,554.84	\$ 185,231.59	\$ 178,501.24	\$ 176,036.43	\$ 180,501.21
Total General Education Revenues	\$ 1,790,225.03	\$ 1,439,293.04	\$ 1,444,758.69	\$ 1,574,480.51	\$ 1,605,763.93	\$ 1,562,826.44	\$ 1,584,805.77
<u>Other General Fund Revenues:</u>							
Special Education	\$ 309,338.51	\$ 195,732.79	\$ 225,990.24	\$ 246,835.61	\$ 275,626.86	\$ 239,017.85	\$ 231,197.56
Title 1	\$ -	\$ 14,098.08	\$ 18,638.16	\$ 17,576.15	\$ 3,451.30	\$ 21,604.79	\$ -
Q Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating	\$ 345,377.01	\$ 305,489.49	\$ 270,680.46	\$ 454,574.80	\$ 352,925.24	\$ 439,815.69	\$ 424,006.38
Other Capital Expenditure	\$ 19,266.26	\$ 12,940.58	\$ 19,252.43	\$ 34,064.74	\$ 42,186.34	\$ 41,496.78	\$ 41,878.91
Total Other General Education Revenues	\$ 673,981.78	\$ 528,260.94	\$ 534,561.29	\$ 753,051.30	\$ 674,189.74	\$ 741,935.11	\$ 697,082.85
General Fund Revenue Total	\$ 2,464,206.81	\$ 1,967,553.98	\$ 1,979,319.98	\$ 2,327,531.81	\$ 2,279,953.67	\$ 2,304,761.55	\$ 2,281,888.62
Revenue Dollars Per ADM	\$ 19,990.32	\$ 22,025.68	\$ 20,562.23	\$ 21,361.34	\$ 22,139.77	\$ 22,511.83	\$ 22,446.28
<u>General Operating Fund Expenditures</u>							
District Level Administration	\$ 113,931.27	\$ 108,562.86	\$ 114,249.15	\$ 160,398.25	\$ 168,616.47	\$ 143,841.91	\$ 139,505.39
School Level Administration	\$ 36,790.15	\$ 34,465.24	\$ 31,380.60	\$ 31,672.20	\$ 33,400.10	\$ 34,546.91	\$ 33,940.46
Regular Instruction	\$ 1,155,785.25	\$ 1,067,384.84	\$ 994,441.98	\$ 1,080,470.89	\$ 1,109,241.08	\$ 1,023,826.10	\$ 966,304.20
Career and Technical Instruction	\$ 61,269.13	\$ 51,873.34	\$ 52,986.80	\$ 52,677.27	\$ 53,067.90	\$ 65,972.80	\$ 21,365.23
Special Education	\$ 380,612.78	\$ 270,840.09	\$ 274,741.23	\$ 299,811.16	\$ 341,689.12	\$ 278,881.79	\$ 298,021.12
Student Activities and Athletics	\$ 58,129.76	\$ 45,884.36	\$ 46,965.85	\$ 40,743.28	\$ 43,113.82	\$ 62,576.20	\$ 55,517.84
Instructional Support Services	\$ 36,410.26	\$ 39,838.15	\$ 22,885.95	\$ 30,713.32	\$ 32,458.89	\$ 20,952.04	\$ 26,513.81
Pupil Support Services	\$ 210,194.46	\$ 167,936.78	\$ 176,503.44	\$ 179,456.81	\$ 200,459.48	\$ 187,036.27	\$ 218,784.97
Operation Maintenance and Other	\$ 237,920.75	\$ 255,707.66	\$ 248,796.00	\$ 257,210.82	\$ 277,311.17	\$ 261,418.27	\$ 251,575.31
Student Transportation	\$ 249,253.21	\$ 191,957.41	\$ 203,480.83	\$ 237,430.79	\$ 239,481.14	\$ 222,390.69	\$ 221,971.46
Total General Operating Fund Expenditures	\$ 2,540,297.02	\$ 2,234,450.73	\$ 2,166,431.83	\$ 2,370,584.79	\$ 2,498,839.17	\$ 2,301,442.98	\$ 2,233,499.79
<u>Other Expenditures</u>							
Capital Expenditures	\$ 112,805.42	\$ 29,298.32	\$ 17,012.90	\$ 61,674.10	\$ 216,387.46	\$ 84,025.36	\$ 78,277.57
Total Other Expenditures	\$ 112,805.42	\$ 29,298.32	\$ 17,012.90	\$ 61,674.10	\$ 216,387.46	\$ 84,025.36	\$ 78,277.57
General Fund Expenditure Total	\$ 2,653,102.44	\$ 2,263,749.05	\$ 2,183,444.73	\$ 2,432,258.89	\$ 2,715,226.63	\$ 2,385,468.34	\$ 2,311,777.36
Expenditure Dollars Per ADM	\$ 21,522.69	\$ 25,341.42	\$ 22,682.78	\$ 22,322.49	\$ 26,366.54	\$ 23,300.14	\$ 22,740.28
Revenues Over (Under) Expenditures	\$ (188,895.63)	\$ (296,195.07)	\$ (204,124.75)	\$ (104,727.08)	\$ (435,272.96)	\$ (80,706.79)	\$ (29,888.74)
Revenues Over (Under) Expenditures Per ADM	\$ (1,532.37)	\$ (3,315.74)	\$ (2,120.56)	\$ (961.15)	\$ (4,226.77)	\$ (788.31)	\$ (294.01)
<u>Normalization Adjustments</u>							
Remove Funding Related to Capital Expenditures	\$ (19,266.26)	\$ (12,940.58)	\$ (19,252.43)	\$ (34,064.74)	\$ (42,186.34)	\$ (41,496.78)	\$ (41,878.91)
Add Back Costs Associated with Capital Expenditures	\$ 112,805.42	\$ 29,298.32	\$ 17,012.90	\$ 61,674.10	\$ 216,387.46	\$ 84,025.36	\$ 78,277.57
Add Back Depreciation Expense	N/A	\$ 103,424.88	\$ 101,592.24	\$ 112,264.09	\$ 107,869.21	\$ 116,966.43	\$ 117,739.54
Normalized Revenues Over (Under) Expenditures	N/A	\$ (176,412.45)	\$ (104,772.04)	\$ 35,146.37	\$ (153,202.63)	\$ 78,788.22	\$ 124,249.46
Normalized Revenues Over (Under) Expenditures Per ADA	N/A	\$ (1,974.84)	\$ (1,088.43)	\$ 322.56	\$ (1,487.69)	\$ 769.57	\$ 1,222.21

Indus School
Forensic Accounting Analysis
Exhibit 10

South Koochiching School District #363
Northome Elementary Revenues Over (Under) Expenditures by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
<u>General Education Revenue</u>							
Basic General Education	\$ 659,096.94	\$ 600,204.94	\$ 608,916.94	\$ 606,413.94	\$ 690,375.25	\$ 708,405.81	\$ 685,653.88
Extended Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensatory	\$ 130,341.12	\$ 110,150.04	\$ 73,087.44	\$ 102,326.37	\$ 77,935.52	\$ 102,013.78	\$ 114,960.96
English Learner	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sparsity	\$ 58,710.39	\$ 99,000.41	\$ 95,672.23	\$ 103,402.14	\$ 85,520.87	\$ 88,332.73	\$ 95,830.37
Operating Capital	\$ 25,228.34	\$ 21,560.06	\$ 22,878.14	\$ 22,470.05	\$ 25,197.82	\$ 25,311.53	\$ 24,160.09
Operating Referendum	\$ 37,646.21	\$ 32,017.79	\$ 19,387.57	\$ 33,051.91	\$ 15,929.33	\$ 12,847.81	\$ -
Location Equity	\$ -	\$ -	\$ 42,508.02	\$ -	\$ 46,375.02	\$ 46,364.92	\$ 39,685.05
Other General Ed	\$ 156,086.02	\$ 139,957.63	\$ 153,453.67	\$ 152,868.53	\$ 173,664.33	\$ 175,672.08	\$ 168,892.19
Total General Education Revenues	\$ 1,067,109.02	\$ 1,002,890.87	\$ 1,015,904.01	\$ 1,020,532.94	\$ 1,114,998.14	\$ 1,158,948.66	\$ 1,129,182.54
<u>Other General Fund Revenues:</u>							
Special Education	\$ 155,339.94	\$ 123,381.00	\$ 140,030.28	\$ 129,700.54	\$ 85,347.99	\$ 184,717.20	\$ 187,535.23
Title 1	\$ 80,492.33	\$ 90,335.64	\$ 84,651.84	\$ 87,640.98	\$ 105,119.75	\$ 85,239.19	\$ 83,340.21
Q Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating	\$ 328,536.98	\$ 336,537.88	\$ 312,306.22	\$ 424,927.43	\$ 380,827.67	\$ 483,485.00	\$ 439,411.56
Other Capital Expenditure	\$ 18,092.50	\$ 14,132.80	\$ 22,038.49	\$ 31,635.56	\$ 45,467.68	\$ 45,286.54	\$ 43,856.28
Total Other General Education Revenues	\$ 582,461.75	\$ 564,387.32	\$ 559,026.83	\$ 673,904.51	\$ 616,763.09	\$ 798,727.93	\$ 754,143.28
General Fund Revenue Total	\$ 1,649,570.77	\$ 1,567,278.19	\$ 1,574,930.84	\$ 1,694,437.45	\$ 1,731,761.23	\$ 1,957,676.59	\$ 1,883,325.82
Revenue Dollars Per ADM	\$ 14,249.92	\$ 16,064.76	\$ 14,292.87	\$ 16,745.11	\$ 15,602.86	\$ 17,521.49	\$ 17,690.45
<u>General Operating Fund Expenditures</u>							
District Level Administration	\$ 106,990.22	\$ 118,564.79	\$ 130,782.40	\$ 148,960.16	\$ 181,731.81	\$ 156,978.47	\$ 146,092.31
School Level Administration	\$ 23,319.74	\$ 22,844.43	\$ 24,375.08	\$ 25,194.90	\$ 19,353.13	\$ 24,034.21	\$ 25,410.38
Regular Instruction	\$ 593,427.68	\$ 543,730.83	\$ 540,516.49	\$ 579,408.08	\$ 572,659.04	\$ 575,127.95	\$ 701,919.60
Career and Technical Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	\$ 184,685.09	\$ 163,503.47	\$ 161,596.29	\$ 151,353.37	\$ 95,878.38	\$ 213,982.91	\$ 237,206.69
Student Activities and Athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,949.88	\$ 19,085.90
Instructional Support Services	\$ 13,659.95	\$ 13,761.68	\$ 8,941.19	\$ 6,049.17	\$ 7,809.12	\$ 6,151.95	\$ 7,111.55
Pupil Support Services	\$ 56,222.45	\$ 49,311.40	\$ 56,295.60	\$ 54,730.47	\$ 55,500.11	\$ 57,801.81	\$ 82,430.58
Operation Maintenance and Other	\$ 50,967.19	\$ 43,788.51	\$ 48,215.10	\$ 45,302.11	\$ 53,335.43	\$ 78,669.76	\$ 69,099.08
Student Transportation	\$ 236,245.91	\$ 211,111.51	\$ 232,926.99	\$ 220,499.46	\$ 281,574.48	\$ 242,700.83	\$ 232,452.11
Total General Operating Fund Expenditures	\$ 1,265,518.23	\$ 1,166,616.62	\$ 1,203,649.14	\$ 1,231,497.72	\$ 1,267,841.50	\$ 1,386,397.77	\$ 1,520,808.20
<u>Other Expenditures</u>							
Capital Expenditures	\$ 82,723.61	\$ 21,179.36	\$ 29,487.41	\$ 31,749.45	\$ 226,208.04	\$ 98,787.82	\$ 100,437.48
Total Other Expenditures	\$ 82,723.61	\$ 21,179.36	\$ 29,487.41	\$ 31,749.45	\$ 226,208.04	\$ 98,787.82	\$ 100,437.48
General Fund Expenditure Total	\$ 1,348,241.84	\$ 1,187,795.98	\$ 1,233,136.55	\$ 1,263,247.17	\$ 1,494,049.54	\$ 1,485,185.59	\$ 1,621,245.68
Expenditure Dollars Per ADM	\$ 11,646.87	\$ 12,175.03	\$ 11,191.00	\$ 12,483.91	\$ 13,461.12	\$ 13,292.63	\$ 15,228.68
Revenues Over (Under) Expenditures	\$ 301,328.93	\$ 379,482.21	\$ 341,794.29	\$ 431,190.28	\$ 237,711.69	\$ 472,491.00	\$ 262,080.14
Revenues Over (Under) Expenditures Per ADM	\$ 2,603.05	\$ 3,889.73	\$ 3,101.86	\$ 4,261.19	\$ 2,141.74	\$ 4,228.86	\$ 2,461.77
<u>Normalization Adjustments</u>							
Remove Funding Related to Capital Expenditures	\$ (18,092.50)	\$ (14,132.80)	\$ (22,038.49)	\$ (31,635.56)	\$ (45,467.68)	\$ (45,286.54)	\$ (43,856.28)
Add Back Costs Associated with Capital Expenditures	\$ 82,723.61	\$ 21,179.36	\$ 29,487.41	\$ 31,749.45	\$ 226,208.04	\$ 98,787.82	\$ 100,437.48
Add Back Depreciation Expense	N/A	\$ 112,953.45	\$ 116,293.88	\$ 104,258.47	\$ 116,259.50	\$ 127,648.56	\$ 123,298.76
Normalized Revenues Over (Under) Expenditures	N/A	\$ 499,482.22	\$ 465,537.09	\$ 535,562.64	\$ 534,711.55	\$ 653,640.84	\$ 441,960.10
Normalized Revenues Over (Under) Expenditures Per ADA	N/A	\$ 10,100.75	\$ 9,576.98	\$ 10,323.10	\$ 10,824.12	\$ 14,547.98	\$ 8,784.74

Indus School
Forensic Accounting Analysis
Exhibit 11

South Koochiching School District #363
Northome Secondary Revenues Over (Under) Expenditures by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
General Education Revenue							
Basic General Education	\$ 662,183.94	\$ 621,632.13	\$ 556,903.88	\$ 535,600.00	\$ 608,057.50	\$ 596,773.38	\$ 598,089.38
Extended Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensatory	\$ 69,338.88	\$ 46,747.35	\$ 40,726.12	\$ 37,068.57	\$ 36,067.07	\$ 38,745.08	\$ 49,203.52
English Learner	\$ -	\$ -	\$ -	\$ 3,524.55	\$ -	\$ -	\$ -
Sparsity	\$ 455,138.73	\$ 435,828.42	\$ 423,829.46	\$ 419,099.82	\$ 457,685.37	\$ 454,018.11	\$ 459,758.81
Operating Capital	\$ 25,346.51	\$ 22,329.75	\$ 20,923.91	\$ 19,846.11	\$ 22,193.33	\$ 21,322.87	\$ 21,074.62
Operating Referendum	\$ 37,822.53	\$ 33,160.82	\$ 17,731.51	\$ 29,192.28	\$ 14,029.98	\$ 10,823.22	\$ -
Location Equity	\$ -	\$ -	\$ 38,877.03	\$ -	\$ 40,845.44	\$ 39,058.61	\$ 34,616.89
Other General Ed	\$ 156,817.06	\$ 144,954.09	\$ 140,345.81	\$ 135,017.31	\$ 152,957.27	\$ 147,989.22	\$ 147,323.06
Total General Education Revenues	\$ 1,406,647.65	\$ 1,304,652.56	\$ 1,239,337.72	\$ 1,179,348.64	\$ 1,331,835.96	\$ 1,308,730.49	\$ 1,310,066.28
Other General Fund Revenues:							
Special Education	\$ 115,221.85	\$ 97,971.42	\$ 80,421.06	\$ 113,822.46	\$ 181,491.02	\$ 123,965.03	\$ 113,920.29
Title 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Q Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating	\$ 257,867.11	\$ 283,148.19	\$ 210,632.33	\$ 295,868.84	\$ 269,050.50	\$ 321,452.63	\$ 296,100.15
Other Capital Expenditure	\$ 14,208.62	\$ 11,699.11	\$ 14,864.33	\$ 22,047.04	\$ 32,186.65	\$ 30,318.03	\$ 30,364.89
Total Other General Education Revenues	\$ 387,297.58	\$ 392,818.72	\$ 305,917.72	\$ 431,738.34	\$ 482,728.17	\$ 475,735.69	\$ 440,385.33
General Fund Revenue Total	\$ 1,793,945.23	\$ 1,697,471.28	\$ 1,545,255.44	\$ 1,611,086.98	\$ 1,814,564.13	\$ 1,784,466.18	\$ 1,750,451.61
Revenue Dollars Per ADM	\$ 19,733.20	\$ 21,018.71	\$ 20,791.92	\$ 22,845.82	\$ 23,094.87	\$ 23,856.50	\$ 23,747.82
General Operating Fund Expenditures							
District Level Administration	\$ 84,022.81	\$ 98,147.73	\$ 88,208.99	\$ 103,811.35	\$ 128,648.24	\$ 105,092.54	\$ 101,150.33
School Level Administration	\$ 32,642.28	\$ 31,760.65	\$ 31,543.50	\$ 32,316.36	\$ 30,303.26	\$ 31,780.70	\$ 31,820.68
Regular Instruction	\$ 778,547.70	\$ 792,559.92	\$ 781,800.43	\$ 834,636.76	\$ 846,641.78	\$ 764,205.30	\$ 870,923.16
Career and Technical Instruction	\$ 46,800.62	\$ 21,244.27	\$ 31,224.30	\$ 20,528.37	\$ 31,781.94	\$ 37,164.56	\$ 21,079.14
Special Education	\$ 136,384.32	\$ 129,254.60	\$ 90,919.75	\$ 135,397.44	\$ 223,640.47	\$ 143,614.09	\$ 142,386.57
Student Activities and Athletics	\$ 140,688.28	\$ 137,010.33	\$ 137,484.86	\$ 149,949.32	\$ 144,492.55	\$ 115,063.52	\$ 122,356.97
Instructional Support Services	\$ 31,909.08	\$ 31,798.58	\$ 25,037.91	\$ 19,174.00	\$ 18,161.50	\$ 14,089.81	\$ 17,894.44
Pupil Support Services	\$ 91,454.50	\$ 94,435.69	\$ 92,082.17	\$ 100,190.53	\$ 94,619.95	\$ 94,271.91	\$ 111,965.28
Operation Maintenance and Other	\$ 234,250.98	\$ 260,978.14	\$ 240,219.62	\$ 271,352.37	\$ 279,664.59	\$ 282,722.96	\$ 281,251.21
Student Transportation	\$ 183,820.96	\$ 173,541.71	\$ 157,102.58	\$ 153,667.57	\$ 182,715.41	\$ 162,481.18	\$ 160,943.50
Total General Operating Fund Expenditures	\$ 1,760,521.53	\$ 1,770,731.62	\$ 1,675,624.11	\$ 1,821,024.07	\$ 1,980,669.69	\$ 1,750,486.57	\$ 1,861,771.28
Other Expenditures							
Capital Expenditures	\$ 82,253.73	\$ 32,000.58	\$ 12,812.08	\$ 37,648.61	\$ 170,515.78	\$ 58,708.57	\$ 57,801.73
Total Other Expenditures	\$ 82,253.73	\$ 32,000.58	\$ 12,812.08	\$ 37,648.61	\$ 170,515.78	\$ 58,708.57	\$ 57,801.73
General Fund Expenditure Total	\$ 1,842,775.26	\$ 1,802,732.20	\$ 1,688,436.19	\$ 1,858,672.68	\$ 2,151,185.47	\$ 1,809,195.14	\$ 1,919,573.01
Expenditure Dollars Per ADM	\$ 20,270.33	\$ 22,322.09	\$ 22,718.46	\$ 26,356.67	\$ 27,379.22	\$ 24,187.10	\$ 26,042.23
Revenues Over (Under) Expenditures	\$ (48,830.03)	\$ (105,260.92)	\$ (143,180.75)	\$ (247,585.70)	\$ (336,621.34)	\$ (24,728.96)	\$ (169,121.40)
Revenues Over (Under) Expenditures Per ADM	\$ (537.12)	\$ (1,303.38)	\$ (1,926.54)	\$ (3,510.86)	\$ (4,284.35)	\$ (330.60)	\$ (2,294.42)
Normalization Adjustments							
Remove Funding Related to Capital Expenditures	\$ (14,208.62)	\$ (11,699.11)	\$ (14,864.33)	\$ (22,047.04)	\$ (32,186.65)	\$ (30,318.03)	\$ (30,364.89)
Add Back Costs Associated with Capital Expenditures	\$ 82,253.73	\$ 32,000.58	\$ 12,812.08	\$ 37,648.61	\$ 170,515.78	\$ 58,708.57	\$ 57,801.73
Add Back Depreciation Expense	N/A	\$ 93,502.67	\$ 78,436.89	\$ 72,658.44	\$ 82,300.29	\$ 85,457.01	\$ 85,368.70
Normalized Revenues Over (Under) Expenditures	N/A	\$ 8,543.22	\$ (66,796.11)	\$ (159,325.69)	\$ (115,991.92)	\$ 89,118.59	\$ (56,315.86)
Normalized Revenues Over (Under) Expenditures Per ADA	N/A	\$ 172.76	\$ (1,374.12)	\$ (3,071.04)	\$ (2,348.01)	\$ 1,983.50	\$ (1,119.38)

Indus School
Forensic Accounting Analysis
Exhibit 12

South Koochiching School District #363
Northme Elementary and Secondary Combined Revenues Over (Under) Expenditures by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
General Education Revenue							
Basic General Education	\$ 1,321,280.88	\$ 1,221,837.07	\$ 1,165,820.82	\$ 1,142,013.94	\$ 1,298,432.75	\$ 1,305,179.19	\$ 1,283,743.26
Extended Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensatory	\$ 199,680.00	\$ 156,897.39	\$ 113,813.56	\$ 139,394.94	\$ 114,002.59	\$ 140,758.86	\$ 164,164.48
English Learner	\$ -	\$ -	\$ -	\$ 3,524.55	\$ -	\$ -	\$ -
Sparsity	\$ 513,849.12	\$ 534,828.83	\$ 519,501.69	\$ 522,501.96	\$ 543,206.24	\$ 542,350.84	\$ 555,589.18
Operating Capital	\$ 50,574.85	\$ 43,889.81	\$ 43,802.05	\$ 42,316.16	\$ 47,391.15	\$ 46,634.40	\$ 45,234.71
Operating Referendum	\$ 75,468.74	\$ 65,178.61	\$ 37,119.08	\$ 62,244.19	\$ 29,959.31	\$ 23,671.03	\$ -
Location Equity	\$ -	\$ -	\$ 81,385.05	\$ -	\$ 87,220.46	\$ 85,423.53	\$ 74,301.94
Other General Ed	\$ 312,903.08	\$ 284,911.72	\$ 293,799.48	\$ 287,885.84	\$ 326,621.60	\$ 323,661.30	\$ 316,215.25
Total General Education Revenues	\$ 2,473,756.67	\$ 2,307,543.43	\$ 2,255,241.73	\$ 2,199,881.58	\$ 2,446,834.10	\$ 2,467,679.15	\$ 2,439,248.82
Other General Fund Revenues:							
Special Education	\$ 270,561.79	\$ 221,352.42	\$ 220,451.34	\$ 243,523.00	\$ 266,839.01	\$ 308,682.23	\$ 301,455.52
Title 1	\$ 80,492.33	\$ 90,335.64	\$ 84,651.84	\$ 87,640.98	\$ 105,119.75	\$ 85,239.19	\$ 83,340.21
Q Comp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating	\$ 586,404.09	\$ 619,686.07	\$ 522,938.55	\$ 720,796.27	\$ 649,878.17	\$ 804,937.63	\$ 735,511.71
Other Capital Expenditure	\$ 32,301.12	\$ 25,831.91	\$ 36,902.82	\$ 53,682.60	\$ 77,654.33	\$ 75,604.57	\$ 74,221.17
Total Other General Education Revenues	\$ 969,759.33	\$ 957,206.04	\$ 864,944.55	\$ 1,105,642.85	\$ 1,099,491.26	\$ 1,274,463.62	\$ 1,194,528.61
General Fund Revenue Total	\$ 3,443,516.00	\$ 3,264,749.47	\$ 3,120,186.28	\$ 3,305,524.43	\$ 3,546,325.36	\$ 3,742,142.77	\$ 3,633,777.43
Revenue Dollars Per ADM	\$ 16,661.91	\$ 18,308.38	\$ 16,910.66	\$ 19,250.62	\$ 18,708.19	\$ 20,061.88	\$ 20,168.60
General Operating Fund Expenditures							
District Level Administration	\$ 191,013.03	\$ 216,712.52	\$ 218,991.39	\$ 252,771.51	\$ 310,380.05	\$ 262,071.01	\$ 247,242.64
School Level Administration	\$ 55,962.02	\$ 54,605.08	\$ 55,918.58	\$ 57,511.26	\$ 49,656.39	\$ 55,814.91	\$ 57,231.06
Regular Instruction	\$ 1,371,975.38	\$ 1,336,290.75	\$ 1,322,316.92	\$ 1,414,044.84	\$ 1,419,300.82	\$ 1,339,333.25	\$ 1,572,842.76
Career and Technical Instruction	\$ 46,800.62	\$ 21,244.27	\$ 31,224.30	\$ 20,528.37	\$ 31,781.94	\$ 37,164.56	\$ 21,079.14
Special Education	\$ 321,069.41	\$ 292,758.07	\$ 252,516.04	\$ 286,750.81	\$ 319,518.85	\$ 357,597.00	\$ 379,593.26
Student Activities and Athletics	\$ 140,688.28	\$ 137,010.33	\$ 137,484.86	\$ 149,949.32	\$ 144,492.55	\$ 146,013.40	\$ 141,442.87
Instructional Support Services	\$ 45,569.03	\$ 45,560.26	\$ 33,979.10	\$ 25,223.17	\$ 25,970.62	\$ 20,241.76	\$ 25,005.99
Pupil Support Services	\$ 147,676.95	\$ 143,747.09	\$ 148,377.77	\$ 154,921.00	\$ 150,120.06	\$ 152,073.72	\$ 194,395.86
Operation Maintenance and Other	\$ 285,218.17	\$ 304,766.65	\$ 288,434.72	\$ 316,654.48	\$ 333,000.02	\$ 361,392.72	\$ 350,350.29
Student Transportation	\$ 420,066.87	\$ 384,653.22	\$ 390,029.57	\$ 374,167.03	\$ 464,289.89	\$ 405,182.01	\$ 393,395.61
Total General Operating Fund Expenditures	\$ 3,026,039.76	\$ 2,937,348.24	\$ 2,879,273.25	\$ 3,052,521.79	\$ 3,248,511.19	\$ 3,136,884.34	\$ 3,382,579.48
Other Expenditures							
Capital Expenditures	\$ 164,977.34	\$ 53,179.94	\$ 42,299.49	\$ 69,398.06	\$ 396,723.82	\$ 157,496.39	\$ 158,239.21
Total Other Expenditures	\$ 164,977.34	\$ 53,179.94	\$ 42,299.49	\$ 69,398.06	\$ 396,723.82	\$ 157,496.39	\$ 158,239.21
General Fund Expenditure Total	\$ 3,191,017.10	\$ 2,990,528.18	\$ 2,921,572.74	\$ 3,121,919.85	\$ 3,645,235.01	\$ 3,294,380.73	\$ 3,540,818.69
Expenditure Dollars Per ADM	\$ 15,440.16	\$ 16,770.57	\$ 15,834.22	\$ 18,181.35	\$ 19,229.98	\$ 17,661.40	\$ 19,652.65
Revenues Over (Under) Expenditures	\$ 252,498.90	\$ 274,221.29	\$ 198,613.54	\$ 183,604.58	\$ (98,909.65)	\$ 447,762.04	\$ 92,958.74
Revenues Over (Under) Expenditures Per ADM	\$ 1,221.75	\$ 1,537.80	\$ 1,076.44	\$ 1,069.27	\$ (521.79)	\$ 2,400.48	\$ 515.95
Normalization Adjustments							
Remove Funding Related to Capital Expenditures	\$ (32,301.12)	\$ (25,831.91)	\$ (36,902.82)	\$ (53,682.60)	\$ (77,654.33)	\$ (75,604.57)	\$ (74,221.17)
Add Back Costs Associated with Capital Expenditures	\$ 164,977.34	\$ 53,179.94	\$ 42,299.49	\$ 69,398.06	\$ 396,723.82	\$ 157,496.39	\$ 158,239.21
Add Back Depreciation Expense	N/A	\$ 206,456.12	\$ 194,730.76	\$ 176,916.91	\$ 198,559.79	\$ 213,105.57	\$ 208,667.46
Normalized Revenues Over (Under) Expenditures	N/A	\$ 508,025.44	\$ 398,740.97	\$ 376,236.95	\$ 418,719.63	\$ 742,759.43	\$ 385,644.24
Normalized Revenues Over (Under) Expenditures Per ADA	N/A	\$ 5,687.06	\$ 4,142.33	\$ 3,452.98	\$ 4,066.03	\$ 7,254.93	\$ 3,793.47

Indus School
Forensic Accounting Analysis
Exhibit 13

South Koochiching School District #363
Comparison of MDE Revenue and Expenditure Dollars Per ADM by Fiscal Year

	2015	2016	2017	2018	2019	2020	2021
<u>Revenues Over (Under) Expenditures Per ADM</u>							
Indus Elementary Revenues Over (Under) Expenditures Per ADM	\$ (703.56)	\$ (2,767.15)	\$ (830.07)	\$ 692.46	\$ (1,911.16)	\$ 1,194.45	\$ 2,107.97
Indus Secondary Revenues Over (Under) Expenditures Per ADM	\$ (2,403.52)	\$ (3,758.16)	\$ (3,385.56)	\$ (2,780.50)	\$ (6,738.32)	\$ (3,323.57)	\$ (2,745.64)
Indus Combined Revenues Over (Under) Expenditures Per ADM	\$ (1,532.37)	\$ (3,315.74)	\$ (2,120.56)	\$ (961.15)	\$ (4,226.77)	\$ (788.31)	\$ (294.01)
Northome Elementary Revenues Over (Under) Expenditures Per ADM	\$ 2,603.05	\$ 3,889.73	\$ 3,101.86	\$ 4,261.19	\$ 2,141.74	\$ 4,228.86	\$ 2,461.77
Northome Secondary Revenues Over (Under) Expenditures Per ADM	\$ (537.12)	\$ (1,303.38)	\$ (1,926.54)	\$ (3,510.86)	\$ (4,284.35)	\$ (330.60)	\$ (2,294.42)
Northome Combined Revenues Over (Under) Expenditures Per ADM	\$ 1,221.75	\$ 1,537.80	\$ 1,076.44	\$ 1,069.27	\$ (521.79)	\$ 2,400.48	\$ 515.95
Total District Revenues Over (Under) Expenditures Per ADM	\$ 89.27	\$ (195.56)	\$ (99.27)	\$ 189.98	\$ (1,924.35)	\$ 1,252.56	\$ 35.87
<u>Normalized Revenues Over (Under) Expenditures Per ADM</u>							
Normalized Indus Elementary Revenues Over (Under) Expenditures Per ADM	N/A	\$ (1,379.90)	\$ 309.76	\$ 1,873.25	\$ 891.64	\$ 2,817.97	\$ 3,663.45
Normalized Indus Secondary Revenues Over (Under) Expenditures Per ADM	N/A	\$ (2,454.64)	\$ (2,459.00)	\$ (1,383.55)	\$ (4,068.36)	\$ (1,849.63)	\$ (1,269.51)
Normalized Indus Combined Revenues Over (Under) Expenditures Per ADM	N/A	\$ (1,974.84)	\$ (1,088.43)	\$ 322.56	\$ (1,487.69)	\$ 769.57	\$ 1,222.21
Normalized Northome Elementary Revenues Over (Under) Expenditures Per ADM	N/A	\$ 10,100.75	\$ 9,576.98	\$ 10,323.10	\$ 10,824.12	\$ 14,547.98	\$ 8,784.74
Normalized Northome Secondary Revenues Over (Under) Expenditures Per ADM	N/A	\$ 172.76	\$ (1,374.12)	\$ (3,071.04)	\$ (2,348.01)	\$ 1,983.50	\$ (1,119.38)
Normalized Northome Combined Revenues Over (Under) Expenditures Per ADM	N/A	\$ 5,687.06	\$ 4,142.33	\$ 3,452.98	\$ 4,066.03	\$ 7,254.93	\$ 3,793.47
Normalized Total District Revenues Over (Under) Expenditures Per ADM	N/A	\$ 1,110.63	\$ 943.63	\$ 1,356.57	\$ 798.86	\$ 2,813.64	\$ 1,620.59