

Monroe A. Miller Jr.
19 Big Spruce Lane
Waynesville, NC 28786
~~July 20, 2014~~ August 12, 2014

Subject: “Funding Formula” Tutorial.

[**Editors Note:** This set of worksheets are useful to follow during a tutorial session. These worksheets are not self-explanatory.]

Funding Formula Resolutions.

The following is a summary of each funding formula. The portion of the equation that is underlined in the 2006 formula represents a change from the 2003 formula, and the portion of the equation that is underlined in the 2009 formula represents a change from the 2006 formula.

2003 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
NC DPI projected ADM (Average Daily Membership) (+)
ABC Revenues = Total Expense Appropriation from the County

2006 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
Current Fiscal Year’s 10 day ADM increased by 1%, Adjusted to Actual Budget Year 10 day ADM when available
(+)
ABC Revenues = Total Expense Appropriation from the County

2009 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
NC DPI ADM state planning allotment, using highest projection amount, and adjusted to actual budget year 10 day ADM when information becomes available (+)
ABC Revenues = Total Expense Appropriation from the County

Notes:

NC DPI - Department of Public Instruction
ABC Revenues - Liquor tax contribution

At no time was there ever a change with the PPA calculation, even after **Julie Davis** started falsifying them in 2008.

[**Editors Note:** Infamous e-mail from Julie Davis to Ira Dove and County Commissioners].

To: Ira Dove; BOCC;
cc: David Teague;
Subject: FW: School funding formula calculations
Date: Friday, June 13, 2014 8:17:46 AM

Since you all have been copied on the MM emails regarding the school formula, I wanted you to be aware of what is in my spreadsheet. **The years MM has referenced, below, and asked for my calculations, years 08-09 through 11-12 were years that we did not use the formula for appropriations due to the economy. From his perspective, out of ignorance, the calculations aren't working. Of course they aren't, since we did not calculate those years, just allocated what the county could.** This explanation was included in the spreadsheet that I last sent to MM.

While there could possibly be a mistake made over a ten year period with only 2 people reviewing this closely, myself and the School finance offices, neither I, nor Larry Smith nor Bob Phillips have noticed. I am confident that the formula spreadsheet is materially accurate.

I don't intend to respond to this latest email because he has not requested a public document.

I am giving you a heads up on this because he, very likely, will be at Monday's meeting disputing the formula and, apparently, calling for my arrest, or something of that nature.

Julie
Julie H. Davis, Finance Director
Haywood County
215 N. Main Street
Waynesville, NC 28786
828-452-6724



FY2014-2015 Haywood County Public School Funding Formula

Since funding of education is a top priority for Haywood County and it is the desire that Haywood County Schools are funded in the top per pupil funding statewide in appropriations, the Haywood County Board of Commissioners established and adopted a formula for funding of school current expense.

Steps in determining the appropriation for public school current expense funding:

- Step 1:** begin with the current year per pupil appropriation.
- Step 2:** Increase the amount by the average increase over the past five years.
- Step 3:** Multiply by the NC Department of Public Instruction state pupil planning allotment.
- Step 4:** Adjust step 3, when the actual pupil count is known.

Funding Formula: Haywood County Per Pupil Appropriation increased by the 5-year average percent increase, X NC Public Schools DPI ADM state planning allotment, using the highest projection amount, and adjusted to actual budget year 10 day ADM when information becomes available + ABC revenues = Total current expense appropriation from the County.
 PPA = Per Pupil Appropriation
 DPI = NC Department of Public Instruction
 ADM = Average Daily Membership (number of pupils attending school)

Step 1: Begin with the current budget year (FY13-14) per pupil appropriation:

FY2013-14 per pupil appropriation	\$ 1,899.09
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Step 2: Increase the amount by a factor equal to the average annual percentage increase over the last five years:

Fiscal Year	Annual % Increase	5 year Ave. % Increase
2009-2010	9.517%	
2010-2011	1.031%	
2011-2012	-2.656%	
2012-2013	2.166%	
2013-2014	1.594%	
Average annual growth		2.33%

FY2014-15 appropriation to public school system (2.33% growth factor applied) =1,899.09 x 1.0233	\$1,943.34
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Step 3: Multiply by the NC Department of Public Instruction state pupil planning allotment:

FY2014-15 NC DPI state pupil planning allotment –highest estimate – 7,536 =1,943.3445 X 7,536	\$14,645,044
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Step 4: Adjust when the actual pupil count is known – usually in August of each new fiscal year.

FORMULA:

Haywood County PPA X (1 plus 5-year average % increase per year) X (current year ADM increased 1%, and adjusted to actual 10 day ADM when avail) = County Appropriation, before ABC revenues
 \$1,568 X 105.37% = \$1,758.52
 X 7,697,101 = \$13,129,647 with actual 10 day known in Aug. 2006

Using new approp. As if 10 day ADM each year

Fiscal Year 2002-2003:				
County Approp	\$	10,518,870		
ADM		7,843		
County Allocation	\$	1,341		
per pupil				
Fiscal Year 2003-2004:			6.13%	
County Approp	\$	11,164,088		
ADM		7,915		
County Allocation	\$	1,410		
per pupil				
Fiscal Year 2004-2005:			5.06%	
County Approp	\$	11,729,270		
ADM		7,877		
County Allocation	\$	1,489		
per pupil				
Fiscal Year 2005-2006:			5.56%	
County Approp	\$	12,381,006		
ADM		7,897		
County Allocation	\$	1,568		
per pupil				
ACTUAL FY06				
12,480,304				
(before formula				
calc)				
First yr of new			6.05%	
formula	\$	13,129,647		
County Approp		7,948		
ADM				
County Allocation	\$	1,652		
per pupil				
five year				13,902,083
average				13,926,372
				(24,289)
2nd yr of new			5.88%	
formula	\$	13,902,083		
County Approp		8,013		
ADM				
County Allocation	\$	1,734.94		
per pupil				
YR 1			5.02%	
				per pupil alloc increase over prior year
3rd year of new			-3.42%	
formula	\$	13,426,920		
County Approp		7,904		
ADM				
				increase over prior year
				(original formula calculated to 8093)

YR 2 County Allocation per pupil \$ 1,698.75 -2.09% per pupil alloc increase over prior year

FORMULA:
 Haywood County FPA X (1 plus 5-year average % increase per year) X (NC DPI ADM state planning allotment, using the highest projection amount, and adjusted to actual 10 day ADM when avail.) = County Appropriation, before ABC revenues
 \$1,568 X 105.37% X 7.948 = \$13,131,688

newer formula year 1	Fiscal Year 2009-2010 County Approp ADM	\$ 14,403,307 7,742	7.27% adjusted at 10 day ADM (original formula calculated to 8174)	
	County Allocation per pupil	\$ 1,860.41	9.52%, per pupil alloc increase over prior year	
newer formula year 2	Fiscal Year 2010-2011 County Approp ADM	\$ 14,403,307 7,663	0.00% adjusted at 10 dayADM (original formula calculated to 7750)	
	County Allocation per pupil	\$ 1,879.59	1.03%, per pupil alloc increase over prior year	
newer formula year 3	Fiscal Year 2011-2012 County Approp ADM	\$ 13,971,307 7,636	-3.00% adjusted at 10 dayADM (original formula calculated to 7688)	
	County Allocation per pupil	\$ 1,829.66	-2.66%, per pupil alloc increase over prior year	
NEW 2010 formula year 4	Fiscal Year 2012-2013 County Approp ADM	\$ 14,144,926 7,567	1.24% adjusted at 10 dayADM (original formula calculated to 7665)	ADJUSTED 11/19/2012
	County Allocation per pupil	\$ 1,869.29	2.17%, per pupil alloc increase over prior year	
AVE OF 5	Fiscal Year 2013-2014 County Approp ADM	\$ 14,402,707 7,584	1.82% adjusted at 10 dayADM (original formula calculated to 7564)	14,402,707 14,364,726 37,981
	County Allocation per pupil	\$ 1,899.09	1.59%, per pupil alloc increase over prior year	
	Fiscal Year 2014-2015 County Approp ADM	\$ 14,645,044 7,536	1.68% adjusted at 10 dayADM (original formula calculated to -----7536)	
	County Allocation per pupil	\$ 1,943.34	2.33%, per pupil alloc increase over prior year	

Fiscal Year 2015-2016
County Approp
ADM \$ 14,830,720 1.27%
ADM 7,554 adjusted at 10 day ADM (original formula calculated to -----)
County Allocation
per pupil \$ 1,960.70 0.89% per pupil alloc increase over prior year

HAYWOOD COUNTY and BOARD OF EDUCATION
 BUDGET FORMULA for SCHOOL APPROPRIATIONS
 JHD

YEAR	HAY. CO. PPA	% INCREASE	YEAR	HAY. CO. PPA	% INCREASE
1997/98	1,043		1997/98	1,043	
1998/99	1,076	3.16%	1998/99	1,076	3.16%
1999/00	1,151	6.97%	1999/00	1,151	6.97%
2000/01	1,213	5.39%	2000/01	1,213	5.39%
2001/02	1,293	6.60%	2001/02	1,286	6.04%
2002/03	1,341	3.73%	2002/03	0	-100.00%
2003/04	1,410	5.17%	2003/04	0	-15.69%
2004/05	1,489	5.57%	2004/05	0	
2005/06	1,575	5.77%	2005/06	0	
2006/07	1,652	4.89%	2006/07	0	
2007/08	1,735	5.02%	2007/08	0	
2008/09	1,699	-2.09%	2008/09	0	
2009/10	1,860	9.52%	2009/10	0	
2010/11	1,880	1.03%			
2011/12	1,830	-2.66%			
2012/13	1,869	2.17%			
2012/14	1,899	1.59%			
2012/15	1,943	2.33%			
2012/16	1,981	0.89%			

old formula year end ppa

new 10 day ADM formula 10 day comp.

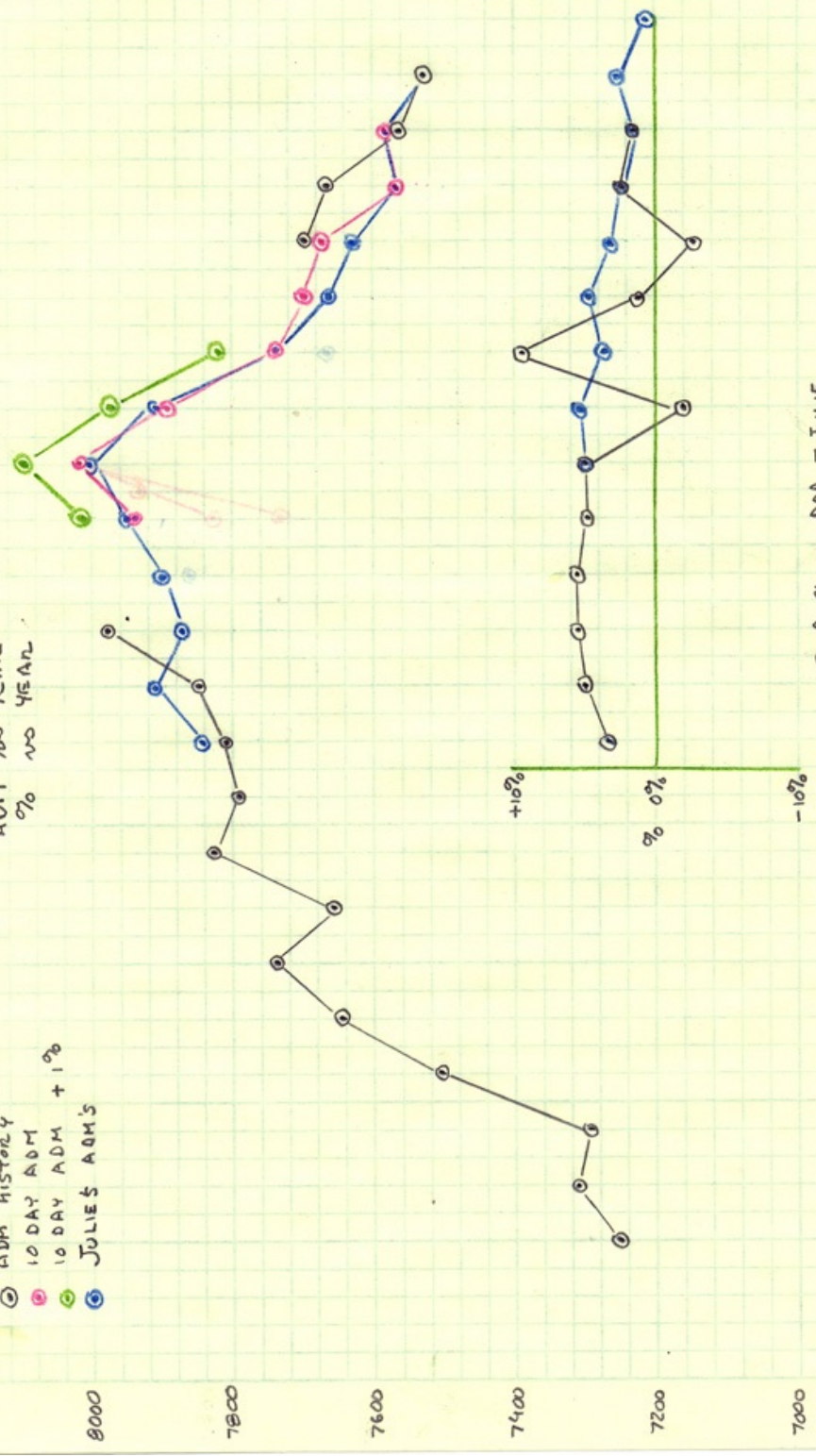
Monroe A. Miller, Jr.
19 Big Spruce Lane
Waynesville, NC 28786



JUN 17 2014

ADM NO YEAR
% NO YEAR

- ADM HISTORY
- 10 DAY ADM
- 10 DAY ADM + 1%
- JULIE'S ADM'S



○ % Change PPA - JULIE
● 5 yr. % - JULIE

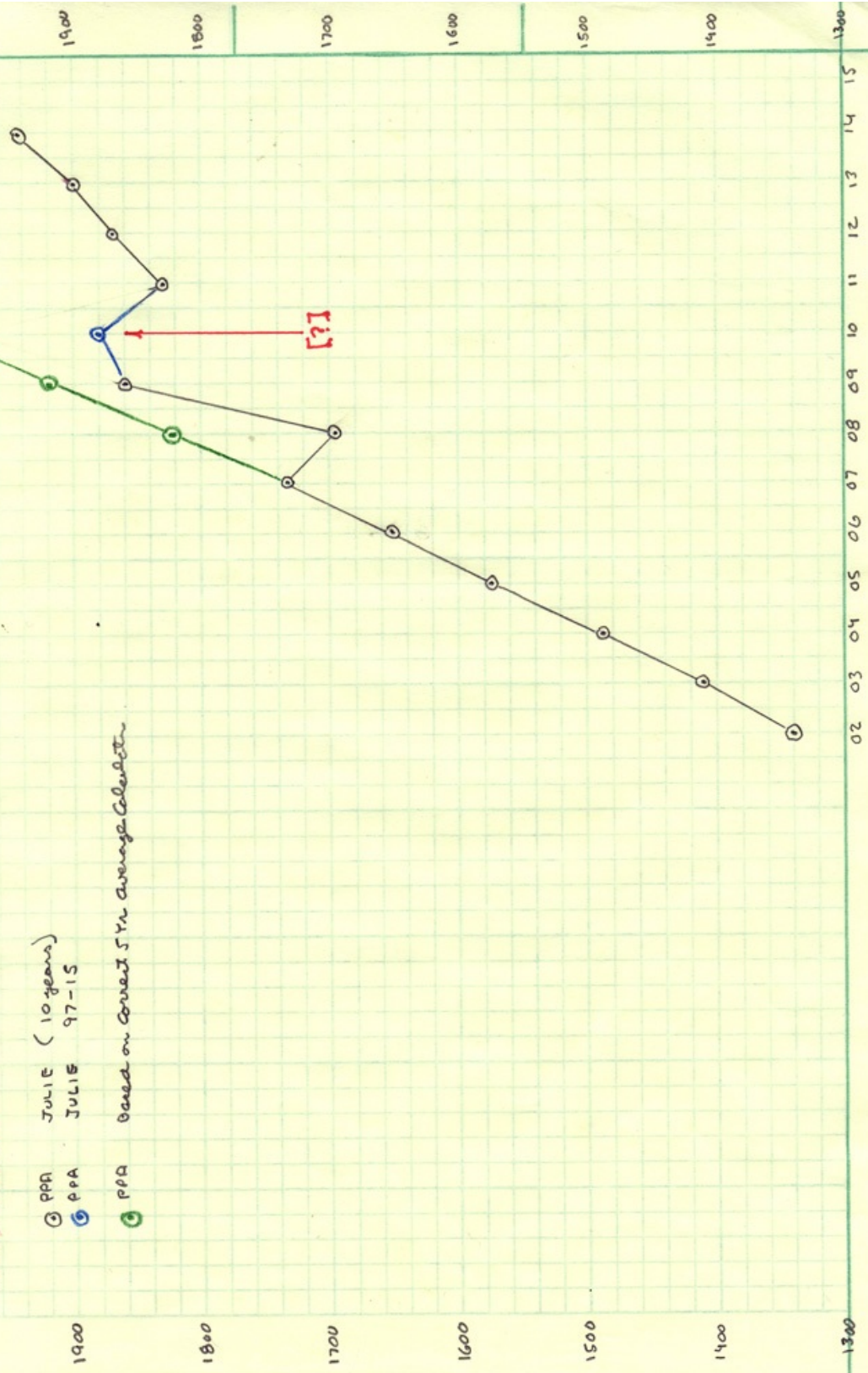
Monroe A. Miller, Jr.
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AMPAD

JUN 11 2014

- ① PPA JULIE (10 years)
- ② PPA JULIE 97-15
- ③ PPA Based on correct 5% average credit



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AMPAD

JUN 11 2014

PPA 02-14

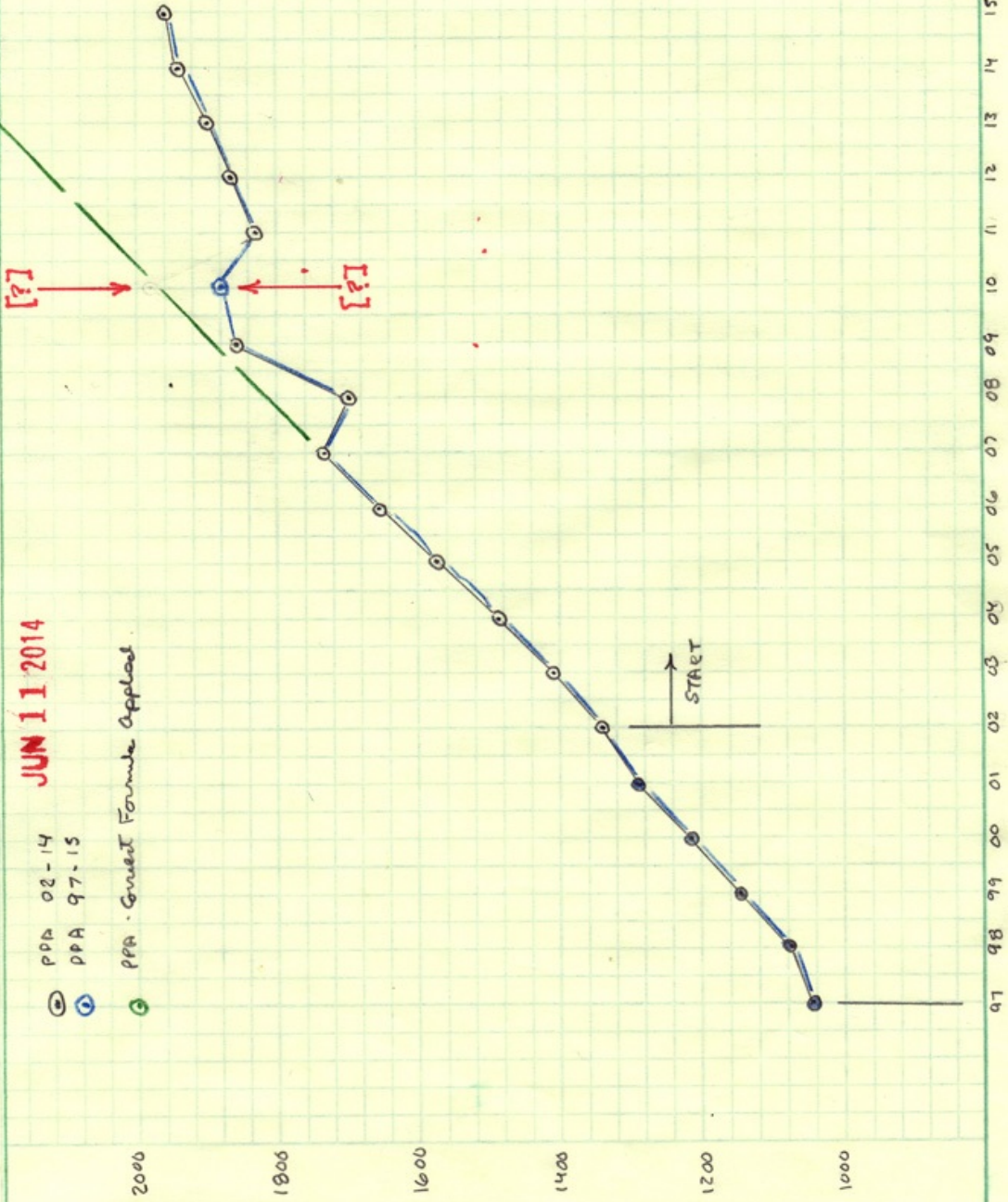
PPA 07-15

PPA - Guest Formula Applied

②

①

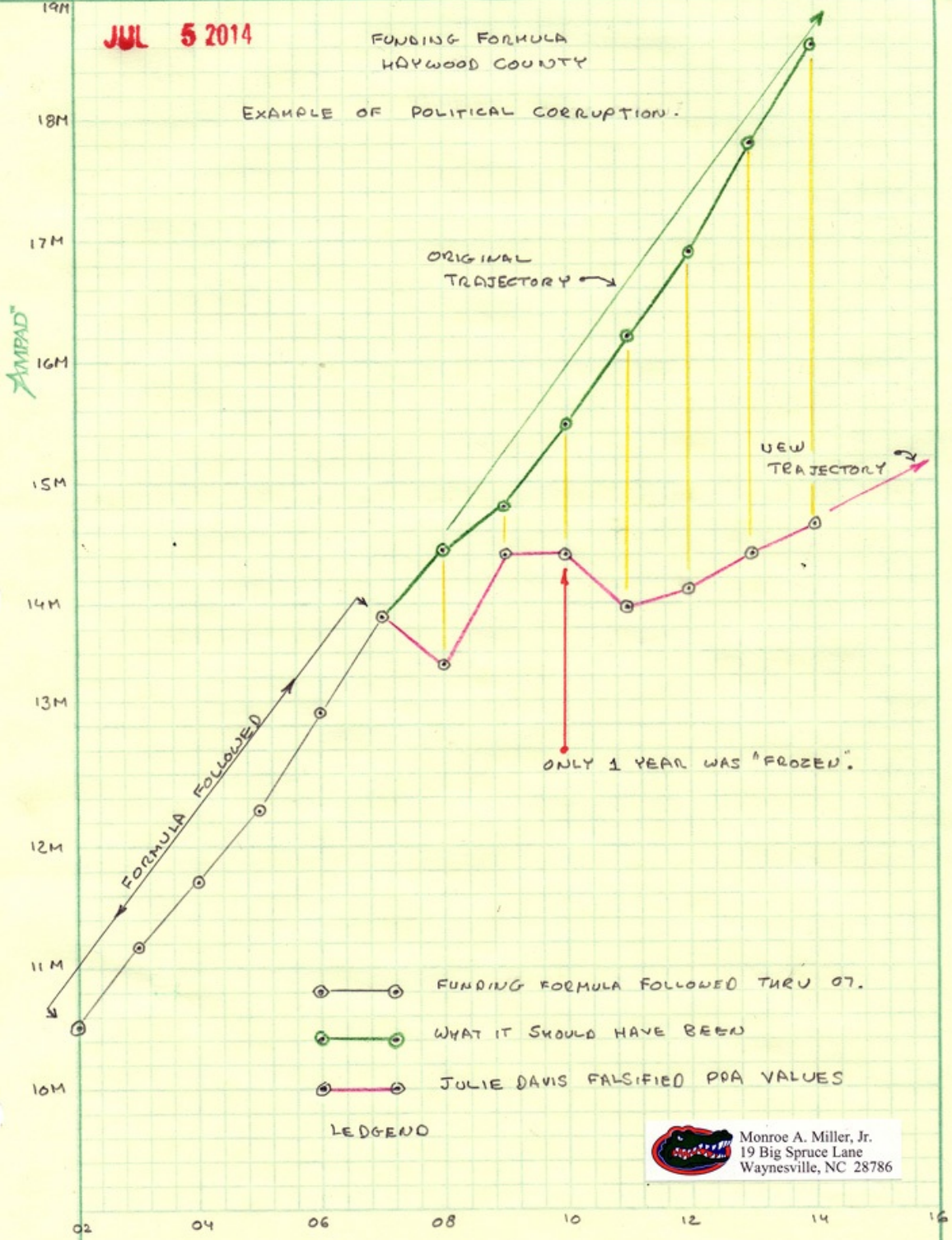
③



JUL 5 2014

FUNDING FORMULA HAYWOOD COUNTY

EXAMPLE OF POLITICAL CORRUPTION.



[Editors Note: re: <http://haywoodtp.net/pubII/140616CrackedTheCode.pdf>].

The following table of data includes the calculation of total funding denied by Julie Davis since she began cooking the books.

[Year]	[PPA]	[% Inc]	[Ave Inc]	[Factor]	[New PPA]	[Julie's ADM]	[Total]	[Julie's Total]	[Shortfall]
00-01	1213	5.39%							
01-02	1293	6.60%							
02-03	1341	3.71%	5.17%	1.0517	1410	7843			
03-04	1410	5.17%	5.57%	1.0557	1489	7915			
04-05	1489	5.57%	5.29%	1.0529	1567	7877			
05-06	1567	5.29%	5.26%	1.0526	1650	7897			
06-07	1650	5.26%	5.00%	1.0500	1732	7948			
07-08	1732	5.00%	5.26%	1.0526	1824	8013	13,882,159	13,902,083	
08-09	1824	5.26%	5.27%	1.0527	1920	7904	14,413,057	13,429,920	983,137
09-10	1920	5.27%	5.22%	1.0522	2020	7742	14,862,239	14,403,307	458,932
10-11	2020	5.22%	5.20%	1.0520	2125	7663	15,477,862	14,403,307	1,074,555
11-12	2125	5.20%	5.19%	1.0519	2235	7636	16,225,643	13,971,307	2,254,336
12-13	2235	5.19%	5.23%	1.0523	2352	7567	16,913,427	14,144,926	2,768,501
13-14	2352	5.23%	5.22%	1.0522	2475	7584	17,837,559	14,402,707	3,434,852
14-15	2475	5.22%	5.21%	1.0521	2604	7536	18,650,204	14,645,044	4,005,160
15-16	2604	5.21%	5.21%	1.0521	2739				
								Total short	14,979,472

Notes:

- Calculated with Julie's ADM numbers, not independently verified
- No ABC revenue anywhere
- Not re-calculated yearly total based on Day 10 ADM
- No amounts of revised yearly budget (Day 10 ADM) returned to county available yet.

This calculation indicates that Julie Davis has denied access of **\$15 Million Dollars** to the Haywood School System since 2009 by falsifying PPA values.

Summary -

- Current years shortfall is \$4Million Dollars.
- Accumulated shortfall since 2008 is \$15 Million Dollars.

The appropriations highlighted Julie Davis calculated (highlighted) for the years 08 - 11 using her spreadsheet, were exactly the amounts she recommended for Proposed County Budgets for those years. The following 3 pages are from CAFR's for those years.

05/11/2010
17:19:12

HAYWOOD COUNTY
FY 2010-2011 BUDGET PROJECTION
ADMIN. RECOMMENDATIONS

PAGE 153

GENERAL	FY 2008-2009 ACTUAL	FY 2009-2010 YTD ACTUAL THRU 04/30/	FY 2009-2010 REVISED BUDG	FY 2010-2011 DEPARTMENT REQUEST	FY 2010-2011 ADMIN RECOMM

PUBLIC SCHOOLS-CURRENT OPER					
11 -5911-563000- AID TO OTHER GOVTL UNITS	13,426,919.64	12,002,755.80	14,403,307.00	15,084,656.00	14,403,307.00
11 -5911-563001- AID OTHER GOV UNITS-EMPL	.00	.00	.00	.00	.00
11 -5911-563010- AID OTHER GOV UNITS BUS	.00	.00	.00	.00	.00
11 -5911-569925- OTHER CONTR,GRNTS-ABC DI	40,997.94	3,862.06	25,000.00	13,500.00	13,500.00
TOTAL PUBLIC SCHOOLS-CURRENT OPER	13,467,917.58	12,006,617.86	14,428,307.00	15,098,156.00	14,416,807.00

05/17/2011
13:55:56

HAYWOOD COUNTY
FY 2011-2012 GENERAL FUND BUDGET
ADMIN. RECOMMENDATIONS

PAGE 161

GENERAL	FY 2009-2010 ACTUAL	FY 2010-2011 YTD ACTUAL THRU 04/30/	FY 2010-2011 REVISED BUDG THRU 4/30/	FY 2011-2012 DEPARTMENT REQUEST	FY 2011-2012 ADMIN RECOMM

PUBLIC SCHOOLS-CURRENT OPER					
11 -5911-563000- AID TO OTHER GOVTL UNITS	14,403,306.96	12,002,755.80	14,403,307.00	14,403,307.00	13,971,307.00
11 -5911-563001- AID OTHER GOV UNITS-EMPL	.00	.00	.00	.00	.00
11 -5911-563010- AID OTHER GOV UNITS BUS	.00	.00	.00	.00	.00
11 -5911-569925- OTHER CONTR, GRNTS-ABC DI	26,711.95	24,618.62	33,500.00	25,000.00	25,000.00
TOTAL PUBLIC SCHOOLS-CURRENT OPER	14,430,018.91	12,027,374.42	14,436,807.00	14,428,307.00	13,996,307.00

HAYWOOD COUNTY GENERAL FUND

ACCOUNT NUMBER	DEPARTMENT	FY 2011-2012 REVISED BUDG 3/31/2012	FY 2011-2012 ORIGINAL BUDGET	FY 2012-2013 DEPARTMENT REQUEST	FY 2012-2013 ADMIN RECOMMENDED	PERCENT CHANGE FROM CY ORIG.
11-6830	Youth Services	189,534	184,071	184,071	184,071	0%
		19,532,179	16,371,153	17,170,620	16,367,957	0%
<u>Education</u>						
11-5911	Public Schools-Current Operations	13,971,307	13,971,307	14,328,116	14,328,116	3%
11-5911	Public Schools-ABC Revenues	25,000	25,000	35,000	35,000	40%
11-5912	Public Schools-Capital Outlay	220,300	276,000	894,938	255,938	-8%
11-5921	Comm College-Current Operations	2,100,456	2,100,456	2,100,456	2,100,456	0%
11-5922	Comm College-Capital Outlay	120,000	120,000	500,000	179,000	47%
		16,437,063	16,494,763	17,858,510	16,895,510	2%
<u>Cultural and Recreation</u>						
11-6110	Library	1,397,603	1,333,413	1,332,413	1,326,825	0%
11-6120	Recreation	268,739	220,346	229,006	229,006	4%
11-6121	Recreation-Towns	-	-	460,000	-	
		1,666,342	1,553,759	2,021,419	1,555,831	0%
<u>Transfers and Budgetary Accounts</u>						
11-8000	Nondepartmental	-	436,082	827,091	594,736	38%
11-9100	Debt Service	5,547,822	5,547,822	5,449,300	5,449,300	-2%
11-9830	Transfers to D/S Funds	2,207,533	2,207,533	2,320,964	2,411,078	9%
11-9840	Transfers to C/P Funds	474,953	-	-	-	
11-9910	Contingency	263,856	500,000	500,000	300,000	-40%
		8,513,964	8,691,437	9,097,355	8,755,114	1%
	TOTAL	70,281,637	65,280,785	70,632,083	66,596,839	2%
	Revenues	70,281,637	65,280,785	66,816,254	66,596,839	2%
	Expenditures	70,281,637	65,280,785	70,632,083	66,596,839	2%
		-	-	(3,815,799)	-	

SunPac Financials G/L Account Number Inquiry Rev 6.09 Fiscal YR: 8
 2.4110.000.000.000.000.00 COUNTY APPROPRIATION Periods: 1 - 13
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 == ===== Beginning Balance: .00
 01 7/16 CA-DP B=BM071907 C=L/590 HAYWOOD CO 1019344.75CR
 02 8/14 CA-DP B=BM081507 C=L/639 HAY CO-APPROP 1019344.75CR
 03 9/13 CA-DP B=BWM091407 C=L/684 HAY CO-SEPT APPROP 1013064.30CR
 04 10/11 CA-DP B=BM101607 C=L/733 HAY CO 1013064.30CR
 05 10/11 CA-DP B=BM101607 C=L/734 HAYWOOD CO 4186.96CR
 06 11/14 CA-DP B=BM111907 C=L/800 HAY CO-APPROP/ABC/CO/S 1017333.65CR
 07 12/11 CA-DP B=BM121307 C=L/858 HAYWOOD COUNTY 1017333.65CR
 08 1/16 CA-DP B=TN011808 C=L/937 HAY CO-APPROP/SUPPLEME 1017333.65CR
 09 2/13 CA-DP B=TN021308 C=L/1001 HAY CO-CO APPROP/SUPP 1017333.65CR
 10 3/12 CA-DP B=TN031208 C=L/1070 HAY CO-APPROP/SUPPLEME 1017333.65CR
 11 4/11 CA-DP B=TN041308 C=L/1162 TRANSFER-HAYWOOD COUNT 1017333.65CR
 12 5/13 CA-DP B=TN051608 C=L/1221 HAYWOOD CO FINANCE 1017333.65CR
 13 6/13 CA-DP B=TN061308 C=L/1312 HAY CO/COUNTY APPROP 1017333.62CR
 14 6/30 GN-JE B=LES080608 TRANS TO CHARTER SCHOO 13868.19
 Review Line Number: Ending Balance: 12193806.04CR
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SunPac Financials G/L Account Number Inquiry Rev 6.09 Fiscal YR: 9
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 01 7/15 CA-DP B=TN071508 C=L/1372 HAY COUNTY/APPROP 1072892.84CR
 02 8/13 CA-DP B=TN081308 C=L/1405 HAY COUNTY/APPROP/SUPP 1072892.84CR
 03 9/19 CA-DP B=TN091908 C=L/1463 HAYWOOD CO FINANCE 993493.31CR
 04 10/22 CA-DP B=TN102208 C=L/1527 HC FINANCE/COUNTY APPR 1046426.33CR
 05 11/14 CA-DP B=TN111408 C=L/1588 HC FINANCE/COUNTY APPR 1046426.33CR
 06 12/16 CA-DP B=TN121608 C=L/1672 HC FINANCE/CNTY APPROP 1046426.33CR
 07 1/13 CA-DP B=TN011309 C=L/1723 HC FIN/COUNTY APPROP 1046426.33CR
 08 2/11 CA-DP B=TN021109 C=L/1794 HAY COUNTY-COUNTY APPR 1046426.33CR
 09 3/11 CA-DP B=TN031309 C=L/1863 HAY CO-COUNTY APPROP 793769.24CR
 10 4/21 CA-DP B=TN042109 C=L/1949 HC FINANCE/COUNTY APPR 793769.24CR
 11 5/19 CA-DP B=TN051909 C=L/2022 HAY COUNTY/APPROPRIATI 793769.24CR
 12 6/11 CA-DP B=TN061209 C=L/2088 HAY CO/COUNTY APPROP 793769.24CR
 13 6/30 GN-JE B=LES071009 TRANS REV TO CHARTER S 9449.40
 Review Line Number: Ending Balance: 11537038.20CR
 F1=Next F2=Prev F3=Exit

Tool 1 MILLION

SunPac Financials G/L Account Number Inquiry Rev 6.09 Fiscal YR: 00
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 01 7/27 CA-DP B=TN072709 C=L/2169 HAY COUNTY/COUNTY APPR 1043572.91CR
 02 8/12 CA-DP B=TN081209 C=L/2198 HAY CO/COUNTY APPROPRI 1043572.91CR
 03 9/14 CA-DP B=TN091409 C=L/2249 HC FINANCE-COUNTY APPR 1043572.91CR
 04 10/19 CA-DP B=TN102109 C=L/2330 HAY CO-COUNTY APPROP 1039340.14CR
 05 11/12 CA-DP B=TN111209 C=L/2397 HAY CO-COUNTY APPROP 1039340.14CR
 06 12/15 CA-DP B=TN121609 C=L/2480 HAY CO/COUNTY APPROP 1039340.14CR
 07 1/15 CA-DP B=TN011610 C=L/2541 HAY COUNTY/COUNTY APPR 1039340.14CR
 08 2/17 CA-DP B=TN021710 C=L/2606 HAY CO/COUNTY APPROPRI 1039340.14CR
 09 3/18 CA-DP B=TN031810 C=L/2683 HAY CO-COUNTY APPROPRI 1043572.91CR
 10 4/20 CA-DP B=TN042210 C=L/2747 HAY CO-COUNTY APPROP 1043572.91CR
 11 5/13 CA-DP B=TN051510 C=L/2811 HAY CO-COUNTY APPROP 1039340.14CR
 12 6/16 CA-DP B=TN061910 C=L/2921 HAY CO-COUNTY APPROPRI 1039340.14CR
 13 6/16 CA-DP B=TN061910 C=L/2921 HAY CO-COUNTY APPROPRI 160935.44CR
 14 6/29 GN-JE B=LES062910 TRANS REV TO CHARTER S 3663.10
 15 6/30 GN-JE B=LES070210 COR TRANSACTION 44441 160935.44

Review Line Number:
 F1=Next F2=Prev F3=Exit

SunPac Financials G/L Account Number Inquiry Rev 6.09 Fiscal YR: 01
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 02 8/13 CA-DP B=TN081610 C=L/3012 HAY CO/COUNTY APPROP 1037980.91CR
 03 9/20 CA-DP B=TN092110 C=L/3086 HAY CO-COUNTY APPROP 1039340.14CR
 04 10/13 CA-DP B=TN101410 C=L/3125 HAY CO-COUNTY APPROP 1039340.14CR
 05 11/19 CA-DP B=TN113010 C=L/3230 HAY CO-COUNTY APPROPRI 1037980.91CR
 06 12/10 CA-DP B=TN121110 C=L/3269 HAY COUNTY-COUNTY APPR 1039340.14CR
 07 1/18 CA-DP B=TN012211 C=L/3340 HAY CO-COUNTY APPROP 1039340.14CR
 08 2/18 CA-DP B=TN022111 C=L/3412 HAY CO-COUNTY APPROP 1037980.91CR
 09 3/11 CA-DP B=TN032211 C=L/3456 HAY COUNTY-COUNTY APPR 1037980.91CR
 10 4/13 CA-DP B=TN041611 C=L/3528 HAY CO-COUNTY APPROPRI 1037980.91CR
 11 5/18 CA-DP B=TN053011 C=L/3598 HAY CO-COUNTY APPROP 1037980.91CR
 12 6/17 CA-DP B=TN062511 C=L/3689 HAY CO-COUNTY APPROP 1039340.14CR
 13 6/25 GN-JE B=BP062511 TRANS REV TO CHARTER S 1954.70

Review Line Number: Ending Balance: 12460612.37CR
 F1=Next F2=Prev F3=Exit

Final Review of Julie Davis failure of Fiduciary Duty.

Julie Davis said [re: her e-mail dated June 13, 2014]:

“... The years MM has referenced, below, and asked for my calculations, years 08-09 through 11-12 were years that we did not use the formula for appropriations due to the economy. From his perspective, out of ignorance, the calculations aren't working. Of course they aren't, since we did not calculate those years, just allocated what the county could.”

Julie Davis **DID** use the formula during those years.

- Julie Davis falsified the PPA values during 08-11 by reverse calculating what PPA would have to be to match what she was proposing for the Haywood County School Budgets for those years. Those falsified PPA calculations would be used after those years to dramatically reduce appropriations based on all original agreed resolutions.
- Julie Davis' spread sheet, which she supplied to Haywood County Schools (shown earlier in this tutorial) are exactly the amounts that she placed in Proposed Budgets from 08 through 11.
- Julie Davis continued to use the Funding Formula during those years to alter the original appropriations submitted to the budget when she corrected the initial amounts when she received the 10 Day ADM numbers from the state. [re: General Ledger printouts from 03 through 14].
- Finally, if Julie Davis said that they did not use the formula for appropriations due to the economy for those years, why did county commissioners sign off on a new Resolution in 2009, signed by Kirk Kirkpatrick? It was the PPA that was the problem Julie Davis found the need to falsify, why wasn't that factor addressed in the 2009 Resolution?

Monroe A. Miller Jr.
19 Big Spruce Lane
Waynesville, NC 28786
August 12, 2014

Subject: What could have been... Sigh...

This is a comparison of my spread sheet of the following Funding Formula's against **Julie Davis'** spread sheet of the same funding formula, and how **Julie Davis** falsified PPA values and cooked the books, adversely affecting her and **Mark Swanger's** continued use of the Funding Formula when they decided to start using it again. A final spread sheet compares differences.

First, a summary of the funding formula's, followed by an analysis of the spread sheets.

Funding Formula Resolutions.

The following is a summary of each funding formula. The portion of the equation that is underlined in the 2006 formula represents a change from the 2003 formula, and the portion of the equation that is underlined in the 2009 formula represents a change from the 2006 formula.

2003 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
NC DPI projected ADM (Average Daily Membership) (+)
ABC Revenues = Total Expense Appropriation from the County

2006 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
Current Fiscal Year's 10 day ADM increased by 1%, Adjusted to Actual Budget Year 10 day ADM when available (+)
ABC Revenues = Total Expense Appropriation from the County

2009 Funding Formula

PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase (x)
NC DPI ADM state planning allotment, using highest projection amount, and adjusted to actual budget year 10 day ADM when information becomes available (+)
ABC Revenues = Total Expense Appropriation from the County

Notes:

NC DPI - Department of Public Instruction
ABC Revenues - Liquor tax contribution

At no time was there ever a change with the PPA calculation, even after **Julie Davis** started falsifying them in 2008.

There are three (3) spread sheets.

- **First spread sheet.** PPA values have been calculated using the Funding Formula equation (unchanged over the three resolutions): PPA (Per Pupil Appropriation) increased by 5 year average of percentage increase. All that is required to compute this value are the five (5) years prior to the implementation of the first

Funding Formula in 2003. ADM and ABC values were obtained from Haywood County Schools Financial Department. The ADM values are the values used for each of the three Funding Formula time periods. There are two calculations beginning in 2006, the second calculation being the adjusted to actual budget year using 10 Day ADM values. The last column in this spread sheet is the difference between the approximated first calculation and the final adjusted calculation.

- **Second spread sheet.** This is a duplication/rendition of the only available information from **Julie Davis**. [re: www.haywoodtp.net, UPDATE! Budget Funding Formula Calculation(s) for Haywood School Appropriations, prepared for County Commissioners by Julie Davis, who will explain when she feels like it, 4/29/2014. 5/15/2014..., "jhd 4/16/2014 school formula with 10 day ADM FOR BUDGET 2013-2014.xls"]. This data is from pages 3-6 of this link. At no point to the PPA values match the calculated values shown in my spread sheet. They are all contrived and had been reverse calculated to make things fit. Even the math does not compute properly on her spread sheet - the last column being the difference between what appears on her spread sheets vs. calculated values. PPA values have been inserted into **Julie Davis'** spread sheet for appearance only, as they are not relevant. The PPA values in this column for the years 2009 - 2013 are those that appear in this years calculation sheet, prepared for county commissioners (for the first time?), as appear on the first page of the above link on www.haywoodtp.net.
- **Third spread sheet.** This spread sheet shows how effectively **Julie Davis** cooked the books and hid her handy-work. The second column, designated [MM Calc] is from my spread sheet, using the final calculations for each year. The third column shows **Julie Davis'** only value for each year. The final column is the difference. There are minor differences up to 2008 (God knows why?), and 2008 to current is where she did her damage. When she falsified PPA values starting in 2008 (turned the funding formula off like a light switch), and started to use prior falsified values as what really happened in 2012 (turned the funding formula back on like a light switch), the damage had been done. These values show the amounts that Haywood County Schools were denied access to starting in 2008, culminating in a total of **\$15,411,539**.

PPA - the only thing that changes the value of PPA is the prior 5 year average

[Yr]	[PPA]	[% Chg]	[5Yr %]	[Factor]	[New PPA]	[ADM]	[10 Day]	[1% ADM]	[ABC Rev]	[1st Calc]	[2nd Calc]	[Diff]
97-98												
98-99	1043											
99-00	1076	3.16%										
00-01	1151	6.97%										
01-02	1213	5.39%										
02-03	1293	6.60%				7810			17,112			
03-04	1341	3.71%	5.17%	1.0517	1410	7845			15,828	11,079,409		
04-05	1410	5.17%	5.57%	1.0557	1489	7980			13,648	11,894,013		
05-06	1489	5.57%	5.29%	1.0529	1567	7885	7897		13,950	12,373,304		
06-07	1567	5.29%	5.26%	1.0526	1650	7837	7993	7976	15,494	13,175,650	13,203,749	28,099
07-08	1650	5.26%	5.00%	1.0500	1732	7948	8021	8073	17,880	14,003,865	13,913,899	(89,966)
08-09	1732	5.00%	5.26%	1.0526	1824	7994	7907	8101	40,997	14,813,669	14,459,525	(354,145)
09-10	1824	5.26%	5.27%	1.0527	1920	7820	7742		26,711	15,038,686	14,888,950	(149,736)
10-11	1920	5.27%	5.22%	1.0522	2020	7750	7694		41,890	15,695,477	15,582,367	(113,110)
11-12	2020	5.22%	5.20%	1.0520	2125	7701	7677		5,984	16,369,744	16,318,747	(50,997)
12-13	2125	5.20%	5.19%	1.0519	2235	7665	7567			17,132,472	16,913,427	(219,045)
13-14	2235	5.19%	5.23%	1.0523	2352	7564	7584			17,790,519	17,837,559	47,040
14-15	2352	5.23%	5.22%	1.0522	2475	7536				18,650,204		
15-16	2475	5.22%	5.21%	1.0521	2604							
	2604	5.21%	5.21%	1.0521	2739							

Julie Davis Spread sheet

[Yr]	[PPA]	[% Chg]	[5Yr %]	[Factor]	[New PPA]	[ADM]	[10 Day]	[1% ADM]	[ABC Rev]	[Calc]	[On sheet]	[Diff]
02-03	1341					7843				10,517,463	10,518,870	1,407
03-04	1410		6.13%			7915				11,160,150	11,164,088	3,938
04-05	1489		5.06%			7877				11,728,853	11,729,270	417
05-06	1568		5.56%			7897				12,382,496	12,381,006	(1,490)
06-07	1652		6.05%			7948				13,130,096	13,129,647	(449)
07-08	1735		5.02%			8013				13,902,555	13,902,083	(472)
08-09	1699		-2.09%			7904				13,428,896	13,426,920	(1,976)
09-10	1860		9.52%			7742				14,400,120	14,403,307	3,187
10-11	1880		1.03%			7663				14,406,440	14,403,307	(3,133)
11-12	1830		-2.66%			7636				13,973,880	13,971,307	(2,573)
12-13	1869		2.17%			7567				14,142,723	14,144,926	2,203
13-14	1899		1.59%			7584				14,402,016	14,402,707	691
14-15	1943		2.33%			7536				14,642,448	14,645,044	2,596
15-16	1961		0.89%			7564				14,833,004	14,830,720	(2,284)

Difference / correlation between MM and Julie Davis

[MM Calc]	[Julie]	[Diff]
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03-04	11,079,409	11,164,088	(84,679)
04-05	11,894,013	11,729,270	164,743
05-06	12,373,304	12,381,006	(7,702)
06-07	13,203,749	13,129,647	74,102
07-08	13,913,899	13,902,083	11,816
08-09	14,459,525	13,426,920	1,032,605
09-10	14,888,950	14,403,307	485,643
10-11	15,582,367	14,403,307	1,179,060
11-12	16,318,747	13,971,307	2,347,440
12-13	16,913,427	14,144,926	2,768,501
13-14	17,837,559	14,402,707	3,434,852
14-15	18,650,204	14,645,044	4,005,160

15,411,539