

**RSU No. 5**  
**DURHAM - FREEPORT - POWNAL**

**3-5 YEAR FINANCIAL ANALYSIS, PROJECTION AND PLANNING**

**2011-2012 - 2015-2016**

RSU No. 5  
Durham- Freeport - Pownal  
3-5 Year Financial Analysis, Projection and Planning

Introduction

This document presents a Three - Five Year Financial Analysis, Projection and Plan for Regional School Unit No. 5 made up of students from Durham, Freeport and Pownal. It is intended to provide a long-range financial framework to support the strategic planning of the district. Each year the plan will be updated to better reflect the current financial conditions, in both revenues and expenditures, while taking into consideration "program improvements and initiatives".

Enrollment Projections

Maine State Planning Office has provided us with K-12 projections for the next 10 years.

The Consolidation Plan provides for a phase out of tuition to non-RSU 5 high schools and as a result, the RSU High School will continue to see an increase in the number of students.

Expenditure Estimates

The actual adopted budgets for the past three years were entered. Projections begin with the anticipated 2012-13 budget.

Projections take into consideration maintaining level services and budget changes if needed to support "program improvements and initiatives".

We have applied a 1% multiplier in 2012-13 ,1.5% in 2013-14 , and 1.5% in 2014-15 to project expenditures in addition known expenditures.

These numbers were based on the current economic conditions and impact to taxpayers in the three communities.

Many of these estimates will be reflective of the strategic plan for RSU 5.

These are the many areas that will be considered:

- Turn-Key Costs of continuing existing programs - Level funding
- Program Improvements / New Initiatives
- Capital Enhancements
- Negotiations - Future - Salary / Benefits
- Debt Service - Increases and Decreases
- New Building costs/ adjustments
- Transportation
- Special Education
- Tuition Students
- Technology

Revenue Estimates

It is anticipated that over the next few years state aid to education will remain flat or decrease. The areas that impact our state aid are student counts and valuation. An increase in community valuations will decrease our state aid.

Federal Stimulus funds that were received in the 2009-10, 2010-11, and 2011-12 are not anticipated to continue.

This document will attempt to provide estimates for revenue funds in the following areas:

- Local Property Tax
- State Aid to Education - Stimulus Funds
- Debt Service: School Construction - Capital Enhancement Plans
- Investments

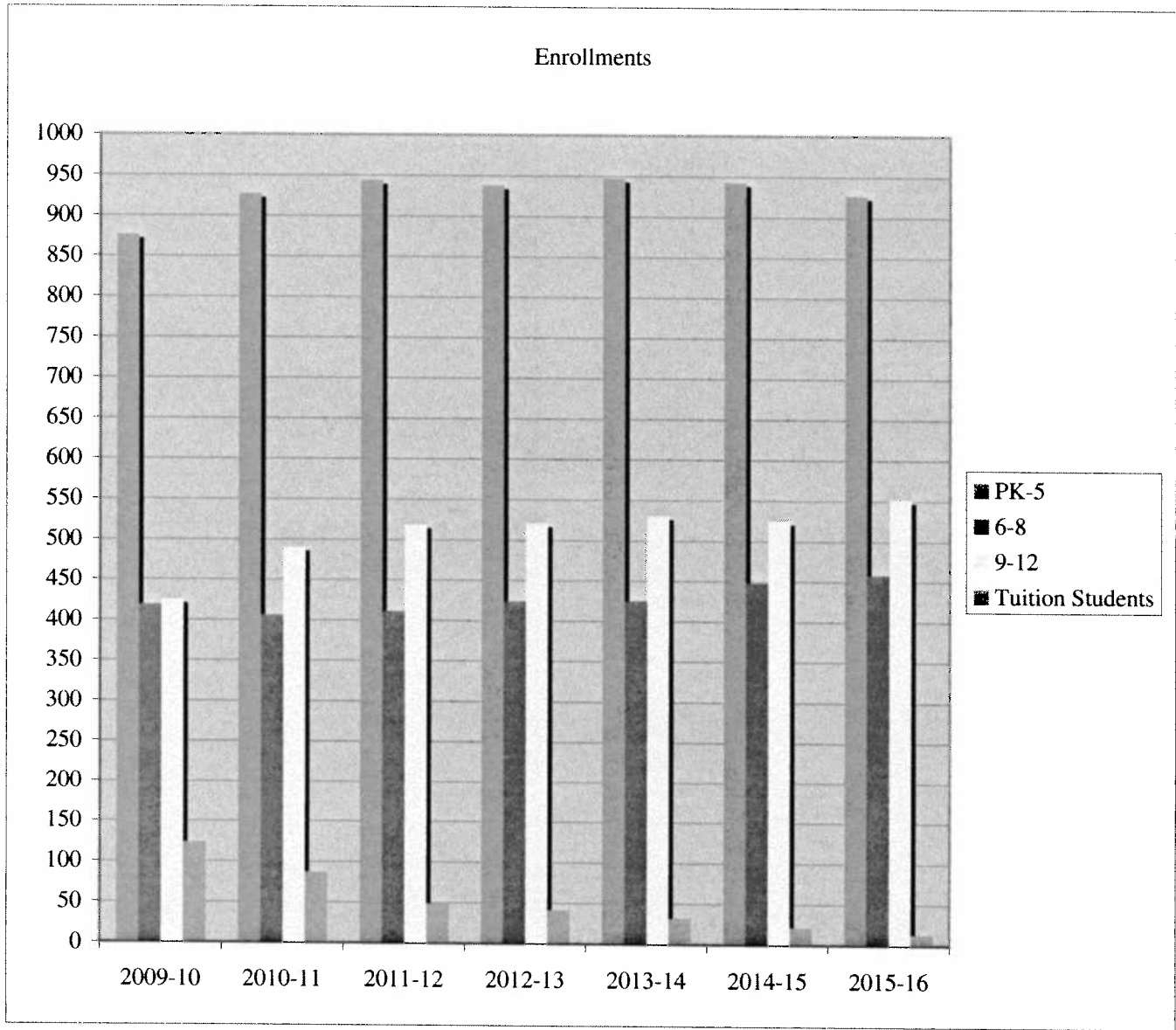
3-5 Year Financial Analysis, Projection and Planning  
Enrollments

	Actual - Oct 1 2009-10	Actual - Oct 1 2010-11	Actual - Oct 1 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15	Projected 2015-16
Grade Pre-K	26	31	30	30	30	30	30
Grade K	157	143	155	149	149	149	149
Grade 1	145	173	146	155	149	149	149
Grade 2	133	149	165	146	155	149	149
Grade 3	149	141	153	165	146	155	149
Grade 4	131	152	140	153	165	146	155
Grade 5	135	138	155	140	153	165	146
Sub Total K-5	850	896	914	908	917	913	897
Grade 6	141	136	130	155	140	153	165
Grade 7	126	142	139	130	155	140	153
Grade 8	152	128	142	139	130	155	140
Sub Total 6-8	419	406	411	424	425	448	458
Grade 9	121	141	128	128	139	130	155
Grade 10	111	125	136	128	128	139	130
Grade 11	99	116	129	136	128	128	139
Grade 12	94	108	126	129	136	128	128
Sub Total 9-12***	425	490	519	521	531	525	552
Total PK - 12	1720	1823	1874	1883	1903	1916	1937
Tuition Students**	124	87	49	42	32	22	14
Combined Total	1844	1910	1923	1925	1935	1938	1951

\*\* Does not include Special Ed outside placements

\*\*\* Recognizes the shift from tuition students to phase in of all resident students attending RSU High School

3-5 Year Financial Analysis, Projection and Planning  
Enrollments



3-5 Year Financial Analysis, Projection and Planning  
Valuations

	(Base Year) 2009-10 2008 State	Actual 2010-11 2009 State	Actual 2011-12 2010 State	Actual 2012-13 2011 State	Projected 2013-14 -2% (estimated)	Projected 2014-15 -2% (estimated)
<b>Valuations</b>						
Durham	\$332,300,000	\$354,200,000	\$351,050,000	\$350,600,000	\$349,898,800	\$349,199,002
Freeport	\$1,515,400,000	\$1,558,200,000	\$1,554,400,000	\$1,526,300,000	\$1,523,247,400	\$1,520,200,905
Pownal	\$189,400,000	\$189,400,000	\$191,050,000	\$188,950,000	\$188,572,100	\$188,194,956

The following is what the state expects towns to contribute in order to receive state subsidy for education.

Actual/Anticipated Local Required						
Mil Rate Expectation	6.37%	6.74%- 6.93%	7.47%	7.52%	7.82%	8.12%
Durham	\$2,116,751	\$2,454,606	\$2,622,344	\$2,636,512	\$2,736,209	\$2,835,496
Freeport	\$9,653,098	\$10,513,379	\$11,611,368	\$11,477,776	\$11,911,795	\$12,344,031
Pownal	\$1,206,478	\$1,312,542	\$1,427,144	\$1,420,904	\$1,474,634	\$1,528,143
Sub Total	\$12,976,327	\$14,280,527	\$15,660,855	\$15,535,192	\$16,122,637	\$16,707,670
Increase / (Decrease) over prior year		\$1,304,200	\$1,380,328	-\$125,663	\$587,445	\$585,033

Notes: Valuations appear to be decreasing slightly- although state minimum requirement increases due to the mil rate expectations established by the State.  
State Valuation average decrease is approximately -2%  
FY 14 & FY 15 Based on average increase of .30 over past two years

Source: Maine Revenue Services: [http://www.maine.gov/revenue/propertytax/sidebar/state\\_valuation\\_history.htm](http://www.maine.gov/revenue/propertytax/sidebar/state_valuation_history.htm)  
Maine Department of Education: <http://www.Maine.gov/education/data/eps/epsmenu.htm>

3-5 Year Financial Analysis, Projection and Planning  
Expenditures

	Adopted Budget (Base Year) 2009-10	Adopted 2010-11	Adopted 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15
<b>Article 1 Student and Staff Support</b>						
Salaries	\$1,093,210	\$1,214,758	\$1,348,609			
Benefits	\$286,202	\$388,306	\$350,009			
Other	\$429,990	\$301,096	\$519,702			
<b>Total Article 1</b>	<b>\$1,809,402</b>	<b>\$1,904,160</b>	<b>\$2,218,320</b>	<b>\$2,240,503</b>	<b>\$2,274,111</b>	<b>\$2,308,222</b>
<b>Article 2 School Administration</b>	\$1,167,495	\$1,099,305	\$1,154,623			
<b>Total Article 2</b>	<b>\$1,167,495</b>	<b>\$1,099,305</b>	<b>\$1,154,623</b>	<b>\$1,166,169</b>	<b>\$1,183,662</b>	<b>\$1,201,417</b>
<b>Article 3 Facilities Maintenance</b>						
Heat	\$231,416	\$234,237	\$142,000			
Electricity	\$234,839	\$279,161	\$304,700			
Capital Enhancements / Shared	\$454,574	\$530,845	\$610,352	\$815,396	\$800,183	\$788,858
Capital Enhancements / Non-Shared	\$174,070	\$152,320	\$149,454	\$124,496	\$48,802	\$47,310
Other	\$1,598,651	\$1,642,061	\$1,648,848			
<b>Total Article 3</b>	<b>\$2,693,550</b>	<b>\$2,838,624</b>	<b>\$2,855,354</b>	<b>\$3,056,395</b>	<b>\$2,997,236</b>	<b>\$3,016,643</b>
<b>Article 4 Career and Technical Education</b>	\$285,540	\$285,540	\$441,806			
<b>Total Article 4</b>	<b>\$285,540</b>	<b>\$285,540</b>	<b>\$441,806</b>	<b>\$446,224</b>	<b>\$452,917</b>	<b>\$459,711</b>
<b>Article 5 All Other - Nutrition / Crossing Guard</b>	\$280,102	\$106,400	\$106,400			
<b>Total Article 5</b>	<b>\$280,102</b>	<b>\$106,400</b>	<b>\$106,400</b>	<b>\$107,464</b>	<b>\$109,076</b>	<b>\$110,712</b>
<b>Article 6 Regular Instruction</b>						
Salaries	\$6,879,321	\$6,935,234	\$7,041,976			
Benefits	\$1,324,151	\$1,526,171	\$1,744,743			
Tuition	\$972,030	\$821,757	\$293,202	\$382,643	\$299,330	\$211,786
Other	\$601,285	\$518,700	\$976,767			
<b>Total Article 6</b>	<b>\$9,776,787</b>	<b>\$9,801,862</b>	<b>\$10,056,688</b>	<b>\$10,243,764</b>	<b>\$10,308,368</b>	<b>\$10,370,959</b>
<b>Other Instruction / Co-Curricular -</b>						
<b>Article 7 Athletics</b>	\$513,329	\$510,093	\$596,670			
<b>Total Article 7</b>	<b>\$513,329</b>	<b>\$510,093</b>	<b>\$596,670</b>	<b>\$602,637</b>	<b>\$611,676</b>	<b>\$620,851</b>

3-5 Year Financial Analysis, Projection and Planning  
Expenditures

	Adopted Budget (Base Year) 2009-10	Adopted 2010-11	Adopted 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15
<b>Article 8 System Administration</b>	\$629,276	\$625,912	\$603,959			
<b>Total Article 8</b>	<b>\$629,276</b>	<b>\$625,912</b>	<b>\$603,959</b>	<b>\$609,999</b>	<b>\$619,149</b>	<b>\$628,436</b>
<b>Article 9 Student Transportation</b>						
Contracted Transportation	\$381,182	\$382,332	\$383,895			
Other	\$751,766	\$813,162	\$879,341			
<b>Total Article 9</b>	<b>\$1,132,948</b>	<b>\$1,195,494</b>	<b>\$1,263,236</b>	<b>\$1,275,868</b>	<b>\$1,295,006</b>	<b>\$1,314,431</b>
<b>Article 10 Debt Service and Other Commitments</b>						
Mast Landing	\$304,906	\$284,969	\$0	\$0	\$0	\$0
Durham Community	\$724,787	\$1,449,327	\$1,425,348	\$1,406,245	\$1,387,141	\$1,368,745
Non-Shared	\$332,206	\$414,499	\$386,394	\$376,166	\$367,717	\$359,541
<b>Total Article 10</b>	<b>\$1,361,899</b>	<b>\$2,148,795</b>	<b>\$1,811,742</b>	<b>\$1,782,411</b>	<b>\$1,754,858</b>	<b>\$1,728,286</b>
<b>Article 11 Special Education</b>						
Salaries	\$2,031,118	\$2,095,686	\$2,020,576			
Benefits	\$485,336	\$544,776	\$539,116			
Tuition	\$316,402	\$208,000	\$208,000			
Other	\$208,780	\$16,210	\$21,384			
<b>Total Article 11</b>	<b>\$3,041,636</b>	<b>\$2,864,672</b>	<b>\$2,789,076</b>	<b>\$2,816,967</b>	<b>\$2,859,221</b>	<b>\$2,902,110</b>
<b>Total Operating Budget</b>	<b>\$22,691,964</b>	<b>\$23,380,857</b>	<b>\$23,897,874</b>	<b>\$24,348,401</b>	<b>\$24,465,280</b>	<b>\$24,661,779</b>
<b>Other</b>						
Jobs/Stimulus Budget	\$620,207	\$484,473	\$432,273	\$0	\$0	\$0
Adult Ed Budget	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
<b>Total Budget - Operating - Stimulus - Adult Ed</b>	<b>\$23,395,171</b>	<b>\$23,948,330</b>	<b>\$24,413,147</b>	<b>\$24,431,401</b>	<b>\$24,548,280</b>	<b>\$24,744,779</b>
		\$553,159	\$464,817	\$18,254	\$116,879	\$196,499
		2.36%	1.94%	0.07%	0.48%	0.80%

Notes: Based on 1-1.5% increases (+/-) known increases i.e.: Debt Service projections, etc.

3-5 Year  
Financial Analysis, Projection and Planning  
Revenues

	Assessed 2010-2011	Assessed 2011-2012	Proposed 2012-2013	Proposed 2013-2014	Proposed 2014-2015
<b><u>RSU Operating Budget</u></b>					
Total Budget	\$23,622,500	\$ 23,897,874	\$ 24,348,401	\$ 24,465,280	\$ 24,661,779
Stimulus/Jobs Bill Budget	\$ 418,655	\$ 432,273	\$ -	\$ -	\$ -
Adult Ed Budget	\$ 83,000	\$ 83,000	\$ 83,000	\$ 83,000	\$ 83,000
<b>Total RSU Operating Budget</b>	<b>\$24,124,155</b>	<b>\$ 24,413,147</b>	<b>\$ 24,431,401</b>	<b>\$ 24,548,280</b>	<b>\$ 24,744,779</b>
<b><u>Less: State and Non-Shared Debt</u></b>					
F-Non-Shared Local Debt	\$ 335,894	\$ 309,922	\$ 282,760	\$ 197,414	\$ 191,495
D- State Supported Debt	\$ 1,734,296	\$ 1,425,348	\$ 1,406,245	\$ 1,387,141	\$ 1,368,745
D-Non-Shared Local Debt	\$ 230,928	\$ 226,653	\$ 219,796	\$ 215,585	\$ 212,167
<b>Total State and Non-Shared Debt</b>	<b>\$ 2,301,118</b>	<b>\$ 1,961,923</b>	<b>\$ 1,908,801</b>	<b>\$ 1,800,140</b>	<b>\$ 1,772,407</b>
<b><u>Less: Local Revenues</u></b>					
Shared Revenue*	\$ 512,026	\$ 695,900	\$ 696,000	\$ 696,000	\$ 696,000
Additional Assessment Durham	\$ 8,000	\$ 8,000	\$ 8,000		
State Aid	\$ 3,126,378	\$ 3,494,530	\$ 3,505,658	\$ 3,505,658	\$ 3,505,658
Stimulus/Jobs Bill Funding	\$ 418,655	\$ 432,273			
<b>Total Revenues</b>	<b>\$ 4,065,059</b>	<b>\$ 4,630,703</b>	<b>\$ 4,209,658</b>	<b>\$ 4,201,658</b>	<b>\$ 4,201,658</b>
<b>Less: Monies Required by State to receive State Aid</b>	<b>\$14,264,219</b>	<b>\$ 15,660,855</b>	<b>\$ 15,535,192</b>	<b>\$ 16,122,637</b>	<b>\$ 16,707,670</b>
<b><u>Additional Local Monies Required Distribution Per RSU Plan</u></b>					
Durham 21.42%	\$ 748,363	\$ 462,600	\$ 594,994	\$ 519,188	\$ 441,904
Freeport 65.98%	\$ 2,305,182	\$ 1,424,948	\$ 1,832,760	\$ 1,599,253	\$ 1,361,196
Pownal 12.60%	\$ 440,214	\$ 272,118	\$ 349,997	\$ 305,404	\$ 259,943
<b>Total Additional Local Monies Required</b>	<b>\$ 3,493,759</b>	<b>\$ 2,159,666</b>	<b>\$ 2,777,750</b>	<b>\$ 2,423,845</b>	<b>\$ 2,063,043</b>
<b><u>*Shared Revenue</u></b>					
State Agency	\$63,394	\$42,400	\$45,000	\$45,000	\$45,000
Medicaid	\$110,442	\$130,000	\$0	\$0	\$0
Misc / Interest	\$9,000	\$22,400	\$19,900	\$19,900	\$19,900
Laugh & Learn	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
Contingency	\$200,000	\$196,000	\$196,000	\$196,000	\$196,000
Fund Balance:	\$124,090	\$300,000	\$430,000	\$430,000	\$430,000
<b>Total Shared Revenue</b>	<b>\$512,026</b>	<b>\$695,900</b>	<b>\$696,000</b>	<b>\$696,000</b>	<b>\$696,000</b>



3-5 Year Financial Analysis, Projection and Planning  
Debt Service

	Adopted (Base Year) 2009-10	Adopted 2010-11	Adopted 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15	Projected 2015-16
<b>Capital Enhancements / Shared</b>							
HS Renovation	\$354,823	\$346,104	\$332,386	\$323,667	\$314,808	\$305,695	\$296,414
Central Office	\$20,106	\$19,575	\$17,505	\$17,766	\$17,250	\$16,750	\$16,250
HS Heating - HVAC	\$73,800	\$72,300	\$70,725	\$64,075	\$62,425	\$60,775	\$59,125
HS Lighting	\$5,845	\$4,366	\$4,259	\$4,141	\$0	\$0	\$0
RSU Capital Improvements	\$75,968	\$88,500	\$267,800	\$400,000	\$400,000	\$374,000	\$290,000
Reserve Funds	\$0	\$0	\$0	\$24,395	\$3,000	\$16,000	\$20,000
<b>Totals</b>	<b>\$530,542</b>	<b>\$530,845</b>	<b>\$692,675</b>	<b>\$834,044</b>	<b>\$797,483</b>	<b>\$773,220</b>	<b>\$681,789</b>
<b>State Funded Debt Service</b>							
Mast Landing	\$304,906	\$284,969	\$0	\$0	\$0	\$0	\$0
Durham Community	\$724,727 *	\$1,449,327	\$1,425,348	\$1,406,245	\$1,387,141	\$1,368,745	\$1,350,351
<b>Totals</b>	<b>\$1,029,633</b>	<b>\$1,734,296</b>	<b>\$1,425,348</b>	<b>\$1,406,245</b>	<b>\$1,387,141</b>	<b>\$1,368,745</b>	<b>\$1,350,351</b>
<b>Capital Enhancements / Non-Shared</b>							
Durham Roof	\$54,196	\$52,990	\$51,659	\$47,147	\$45,282	\$44,121	\$44,666
Middle School Siding	\$52,433	\$52,433	\$52,433	\$52,433			
Freeport CIP	\$51,798	\$35,213	\$34,691	\$15,726			
Freeport Lighting	\$15,643	\$11,684	\$11,398	\$11,084			
<b>Totals</b>	<b>\$174,070</b>	<b>\$152,320</b>	<b>\$150,181</b>	<b>\$126,390</b>	<b>\$45,282</b>	<b>\$44,121</b>	<b>\$44,666</b>
<b>Non-Shared</b>							
Middle School Improve	\$243,234	\$236,561	\$211,400	\$203,517	\$197,414	\$191,495	\$185,577
Durham Comm Local	\$88,972 **	\$177,938	\$174,994	\$172,649	\$170,303	\$168,046	\$165,788
<b>Totals</b>	<b>\$332,206</b>	<b>\$414,499</b>	<b>\$386,394</b>	<b>\$376,166</b>	<b>\$367,717</b>	<b>\$359,541</b>	<b>\$351,365</b>

\* Original Budget \$724,787 - actual bond payment year 1 \$391,511

\*\* Original Budget \$88,972 - actual bond payment \$48,067