

**Continuing Disclosure Report
December 2003**

**Dexter Community Schools
Counties of Washtenaw and Livingston, State of Michigan
\$69,600,000 1998 School Building and Site Bonds
and
\$30,210,000 2003 Refunding Bonds**

Enrollment History

1994/1995	2,413	1999/2000	2,993
1995/1996	2,574	2000/2001	3,090
1996/1997	2,626	2001/2002	3,187
1997/1998	2,780	2002/2003	3,349
1998/1999	2,878	2003/2004	3,481

Projected enrollment for 2007/2008 is 3,901.

Labor Relations

<u>Class</u>	<u>No.</u>	<u>Affiliation</u>	<u>Contract Expires</u>
Teachers	215	Michigan Ed. Assoc./National Ed Assoc.	June, 2004
Administrators	12	Dexter Administrator's Association	June, 2003 *
Para-Professionals, Secretarial, Technology, Maintenance, Custodial & Food Service	152	Michigan Education Support Personnel Association (MEPSA)	June, 2004
Bus Drivers	31	Operating Engineers	June, 2004
Superintendent	1	Non-Affiliated	June, 2004
Assistant Superintendent	1	Non-Affiliated	June 2004
Executive Directors	3	Non-Affiliated	June 2004
Supervisors	15	Non-Affiliated	June, 2004
Child Care	<u>11</u>	Non-Affiliated	No contract
Total	441		

* In negotiations.

The School District has not experienced a strike by any of its bargaining units in the past ten years.

Retirement Plan

<u>Fiscal Year Ending June 30.</u>	<u>Contribution to MPERS</u>
2000	\$1,670,000
2001	1,844,000
2002	2,037,000
2003	2,313,000
2004	2,546,000 (estimate)

<u>Contributions Period</u>	<u>Contribution Rate</u>
October 1, 1999 – September 30, 2000	11.66%
October 1, 2000 – September 30, 2001	12.16
October 1, 2001 – September 30, 2002	12.17
October 1, 2002 – September 30, 2003	12.99
October 1, 2003 – September 30, 2004	12.99

History of State Equalized Valuations and Taxable Valuations

	<u>State Equalized Valuation</u>	<u>Taxable Valuation</u>
1999	\$675,851,630	\$572,950,304
2000	758,976,970	624,691,805
2001	845,979,900	689,520,254
2002	970,342,350	760,627,821
2003	1,035,567,880	833,460,417

Tax Collection Record

<u>School Year</u>	<u>Total Tax Levy</u>	<u>Current collections to March 1, Each Year</u>		<u>Collections to June 30 Fiscal Year End</u>		<u>Total Tax Collections Including Tax Payment Fund*</u>	
1999/00	\$7,337,181	\$6,699,141	91.30%	\$6,841,733	93.25%	\$7,191,901	98.02%
2000/01	7,889,231	6,926,439	87.80	7,095,108	89.93	7,726,860	97.94
2001/02	8,455,167	7,686,628	90.91	7,885,394	93.26	8,422,626	99.62
2002/03	9,321,696	8,436,937	90.51	9,071,945	97.32	9,079,866	97.41
2003/04	9,833,839	(In process of collection)					

*Note: Some payments from the Washtenaw County Tax Payment Fund are received after June 30.

School District Tax Rates (Per \$1,000 of Valuation)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
School District					
Operating Non-Homestead	18.00	18.00	18.00	18.00	18.00
Debt	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>
Total Homestead	8.50	8.50	8.50	8.50	8.50
Total Non-Homestead	26.50	26.50	26.50	26.50	26.50

The School District levies 18.00 mills of voted operating millage on non-homestead property and authorized debt millage on all homestead and non-homestead property. The voted millage expires with the 2013 levy.

State Aid Payments

<u>School Year</u>	<u>Blended Pupil Count</u>	<u>Foundation Allowance Per Pupil</u>	<u>Total State Aid Payments</u>
1999/00	2,971	\$6,575.85	\$ 17,956,346
2000/01	3,070	6,876.00	19,738,728
2001/02	3,167	7,176.00	21,263,370
2002/03	3,316	7,376.00	22,768,769
2003/04 (estimated)	3,456	7,376.00	23,163,540

Largest Taxpayers

Shown below are the ten largest identifiable taxpayers in the School District based on their 2003 taxable valuations.

<u>Taxpayer</u>	<u>Product or Service</u>	<u>Taxable Valuation</u>	<u>IFT Valuation</u>	<u>Total Valuation Subject to Taxation</u>
Dexter Fastener Technologies	Engine fasteners	\$ 7,297,958	\$ 12,726,051	\$ 20,024,009
DTE Energy Co. ¹	Utility	15,391,031		15,391,031
Thomson-Shore Inc.	Publishing	3,829,510	2,945,300	6,774,810
Creative Solutions	Computer software development	5,041,606		5,041,606
Thetford Corporation	Plastic components	4,924,806		4,924,806
Blackhawk Development Corp.	Mall/real estate dev'l.	3,873,534		3,873,534
Sweepster Inc.	Runway sweepers	3,784,330		3,784,330
Nagel Precision Inc.	Manufacturing	3,140,589		3,140,589
Dapco Industries	Valves, fittings	2,687,672	339,400	3,027,072
Thompson Information Services	Computer software development	2,396,700		2,396,700
TOTAL		\$52,367,736	\$16,010,751	\$68,378,487

% of School District's 2003 Taxable Valuation (\$833,460,417) 6.28%

¹ DTE Energy Co. is contesting the multipliers used for assessing their taxes with the State Tax Tribunal.
Sources: Dexter, Hamburg, Lima, Lodi, Northfield, Scio and Webster Townships.

Legal Debt Margin

2003 State Equalized Valuation		\$1,035,567,880
Debt Limit (15% of 2003 State Equalized Valuation)		155,335,182
Debt Outstanding	\$91,160,000	
Less Bonds excluded from Debt Limit*	<u>91,160,000</u>	
Total Subject to Debt Limit		<u>0</u>
Additional Debt which could be Legally Incurred		\$ 155,335,182

* Act 451, Public Acts of Michigan, 1976, provides debt limits as follows:

(a) Section 1351(3) - The bonded indebtedness of a school district shall not exceed 15% of all assessed valuation of the district. Bonds not included in the computation of the legal debt margin, according to Section 1351(3) are: (1) refunding bonds, (2) any bond qualified under Article IX, Section 16, of the 1963 Michigan Constitution, and (3) deficit budget bonds as authorized by Section 1356.

DIRECT DEBT

06/01/98	School Building and Site Bonds (UTQ)	\$60,950,000
03/26/03	Refunding Bonds (UTQ)	<u>30,210,000</u>
NET DIRECT DEBT		\$91,160,000

DEXTER COMMUNITY SCHOOLS

GENERAL FUND BUDGET

2003/04

		Adopted <u>2003/04</u>
REVENUE:		
Local Sources	\$	3,330,877
State Sources		23,781,470
Federal Sources		559,388
Transfers and Other Transactions		<u>2,264,022</u>
TOTAL REVENUE	\$	29,935,757
EXPENDITURES:		
Instruction		
Cornerstone Elementary	\$	2,905,369
Bates Elementary		2,146,061
Wylie Elementary		3,510,581
Creekside Elementary		3,622,763
Mill Creek Middle School		3,269,585
Dexter High School		5,934,580
Support Services:		
Instructional Support		357,086
General Administration		529,667
Personnel		149,805
Support Services		731,572
Business Services		592,284
District Utilities/Security		1,309,382
Operations & Maintenance		1,852,894
Transportation		1,956,293
Outgoing Transfers & Other Transactions		1,231,895
TOTAL EXPENDITURES	\$	30,099,817
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$	(164,060)
FUND BALANCE, JULY 1	\$	1,642,471
ESTIMATED FUND BALANCE, JUNE 30	\$	1,478,411

In planning for the new high school that opened in February 2002, the Board of Education anticipated an operating expense exceeding revenue for the years 2001/02, 2002/03 and 2003/04 to cover the additional costs of operating a new high school. The projected growth in student enrollment is expected to provide ample operational funding in the future.