

Annual Filing Continuing Disclosure

Issuer: Dexter Community Schools
Counties of Washtenaw and Livingston
State of Michigan

Details of Issues:

Title: 1998 School Building and Site Bonds
Date and Amount: dated 06/01/98, original amount: \$69,600,000
CUSIP ID #: 252255

Title: 2008 School Building and Site and Refunding Bonds
Date and Amount: dated 09/29/08, original amount: \$59,780,000
CUSIP ID #: 252255

Title: 2012 School Building and Site and Refunding Bonds
Date and Amount: dated 05/24/12, original amount: \$15,670,000
CUSIP ID #: 252255

Title: 2017 School Building and Site and Refunding Bonds
Date and Amount: dated 11/28/17, original amount: \$70,615,000
CUSIP ID #: 252255

Number of pages attached: 5 pages, plus June 30, 2017 audited
financial statements.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

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Continuing Disclosure Report
December 2017
Dexter Community Schools
Counties of Washtenaw and Livingston, State of Michigan
\$69,600,000 1998 School Building and Site Bonds
\$59,780,000 2008 School Building and Site and Refunding Bonds
\$15,670,000 2012 School Building and Site and Refunding Bonds
\$70,615,000 2017 School Building and Site and Refunding Bonds

Enrollment History

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Enrollment</u>
2017/18	3,627	2012/13	3,544
2016/17	3,586	2011/12	3,595
2015/16	3,550	2010/11	3,624
2014/15	3,547	2009/10	3,647
2013/14	3,550	2008/09	3,641

The projected K-12 enrollment for 2020/2021 is 3,713, as estimated by the School District.

Labor Relations

<u>Class</u>	<u>Number</u>	<u>Affiliation</u>	<u>Contract Expires</u>
Superintendent	1	Non-affiliated	June 30, 2021
Chief Financial Officer	1	Non-affiliated	June 30, 2019
Executive Director Human Resources	1	Non-affiliated	June 30, 2018
Administrators	12	Dexter Administrators Association	June 30, 2018
Teachers	248	DEA/MEA/NEA	June 30, 2019
Para-Professionals, Secretarial, Technology, Maintenance, Custodial and Food Service	160	Dexter Educational Support Personnel Association/MEA/NEA	June 30, 2018
Bus Drivers and Bus Monitors	33	West Washtenaw Bus Drivers and Monitors Association	June 30, 2018
Other Non-Affiliated Personnel	<u>53</u>	Non-affiliated	N/A
Total	<u>509</u>		

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

Retirement Plan*

<u>Contribution Period</u>	<u>Contribution Rate</u>	<u>Pension & Pension Plus</u>
February 1, 2018 – September 30, 2018	25.21 – 27.31%	25.28 – 30.16%
October 1, 2017 – January 31, 2018	25.21 – 27.31%	25.28 – 27.03%
October 1, 2016 - September 30, 2017	25.18 – 26.72%	25.31 – 27.09%
October 1, 2015 - September 30, 2016	25.39 – 27.35%	25.56 – 27.13%
October 1, 2014 - September 30, 2015	25.78 – 27.27%	25.70 – 27.17%
October 1, 2013 - September 30, 2014	24.79 - 26.96 %	25.56 – 26.63%

<u>Fiscal Year Ending June 30.</u>	<u>Contribution to MPSERS</u>
2018	\$8,997,000 (Estimated)
2017	\$8,157,000
2016	\$7,899,000
2015	\$7,225,000
2014	\$6,075,000

* For additional information see “Defined Benefit Plan and Post Retirement Benefits” note in the Financial Statements.

History of Valuations – State Equalized Valuation and Taxable Valuation

	<u>State Equalized Valuation</u>	<u>Taxable Valuation</u>
2017	\$1,572,280,747	\$1,267,390,387
2016	1,492,829,088	1,225,539,135
2015	1,400,798,781	1,201,675,830
2014	1,290,189,197	1,162,043,625
2013	1,221,125,562	1,122,070,648

Sources: County Equalization Departments.

Tax Levies and Collections

<u>School Year</u>	<u>Total Tax Levy</u>	<u>Collections To March 1, Each Year</u>	<u>Collections to June 30 Fiscal Year End</u>	<u>Collections Including Tax Payment Fund</u>
2017/18	\$15,312,001	In Process of Collection	In Process of Collection	In Process of Collection
2016/17	15,143,253	\$14,333,850 94.66%	\$14,890,512 98.33%	\$14,892,323 98.34%
2015/16	14,947,273	13,929,298 93.19	14,624,089 97.84	14,628,196 97.87
2014/15	14,522,923	13,291,521 91.52	14,056,646 96.79	14,282,686 98.35
2013/14	13,562,660	12,500,177 92.17	13,220,063 97.47	13,446,028 99.14
2012/13	13,284,549	12,278,433 92.43	12,650,471 95.23	13,123,039 98.78

State Aid Payments

<u>Year</u>	<u>Blended Pupil Count</u>	<u>Foundation Allowance Per Pupil</u>	<u>Total State Aid Payments</u>
2017/18	3,623	\$7,905	\$29,325,544 (Estimate)
2016/17	3,582	7,799	28,562,243
2015/16	3,550	7,693	27,719,067
2014/15	3,538*	7,569	26,841,302
2013/14	3,548*	7,519	25,841,848
2012/13	3,550	7,468	25,354,276

* Blended pupil count is calculated on 10% prior school year spring and 90% current school year fall counts. For 2013/14 and 2014/15 the blend calculation was 90% current school year fall and 10% current school year spring.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating – Extra Voted*	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	<u>8.5000</u>	<u>8.5000</u>	<u>8.5000</u>	<u>8.5000</u>	<u>8.5000</u>
Total Homestead	8.5000	8.5000	8.5000	8.5000	8.5000
Total Non-Homestead	26.5000	26.5000	26.5000	26.5000	26.5000

* The extra voted millage is levied on Non-Homestead property only and expires with the December 2033 tax levy.

Largest Taxpayers

Shown below are the ten largest identifiable taxpayers in the School District based on their 2017 taxable valuations. The taxpayers listed below represent 6.19% of the School District’s 2017 Taxable Valuation of \$1,267,390,387.

<u>Taxpayer</u>	<u>Product or Service</u>	<u>Taxable Value</u>	<u>Equivalent IFT*</u>	<u>Total Valuation Subject to Taxation</u>
DTE Energy Company	Utility	\$ 25,754,137		\$25,754,137
Dexter Fastener	Engine fasteners	10,712,366	\$834,744	11,547,110
Enbridge Pipelines	Oil pipeline system	9,307,777		9,307,777
International Transmission Company	Utility	9,291,202		9,291,202
Chelsea Health & Wellness	Wellness center	5,318,052		5,318,052
Thetford Corp	Plastic components	4,748,688	141,450	4,890,138
United Methodist Retirement Community	Retirement devel.	4,889,604		4,889,604
Sweepster/Sweepster Attachments	Industrial machine	3,019,348	500,000	3,519,348
Thomson-Shore	Publishing	2,206,137	1,252,300	3,458,437
Consumers Energy Company	Utility	<u>3,240,111</u>		<u>3,240,111</u>
TOTAL		\$78,487,422	\$2,728,494	\$81,215,916

* Equivalent IFT Valuation is half of the property’s total taxable valuation. The School District collects debt tax revenues at one-half rate of the total IFT valuations.

Sources: County Equalization Departments and Township Assessors.

Direct Debt

06/01/98	1998 School Building and Site Bonds (UTQ)	\$ 28,875,000
09/29/08	2008 School Building and Site and Refunding Bonds (UTQ)	2,050,000
05/24/12	2012 School Building and Site and Refunding Bonds (UTQ)	7,575,000
11/28/17	2017 School Building and Site and Refunding Bonds (UTQ)	<u>70,615,000</u>
NET DIRECT DEBT		<u>\$109,115,000</u>

Legal Debt Margin

2017 State Equalized Valuation		\$1,572,280,747
Debt Limit (15% of 2017 State Equalized Valuation)		\$235,842,112
Debt Outstanding	\$109,115,000	
Less bonds not subject to Debt Limit*	(109,115,000)	
Total Subject to Debt Limit		<u>0</u>
Additional Unlimited Tax Debt Which Could Be Legally Incurred		<u>\$225,842,112</u>

* Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16, of the Michigan Constitution of 1963, and (2) deficit budget bonds authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

DEXTER COMMUNITY SCHOOLS

**General Fund Budget Summary
Fiscal Year Ending June 30, 2018**

	Amended 11-13-17 <u>2017/18</u>
<u>REVENUES</u>	
Local Sources	\$ 5,125,513
Other Political Subdivisions	5,254
State Sources	29,472,561
Federal Sources	1,310,766
Transfers and Other Financing Sources	<u>4,704,270</u>
TOTAL REVENUES	\$40,618,364
<u>EXPENDITURES</u>	
Instruction	
Basic Programs	\$ 20,286,478
Added Needs	4,150,898
Support Services	
Pupil Support	4,418,275
Instruction Staff Support	2,092,303
General Administration	765,109
School Administration	2,305,412
Business Services	685,380
Operations and Maintenance	3,585,818
Transportation	1,603,298
Other Central Support	287,458
Community Services	264,196
Outgoing Transfers and Other Financing Uses	<u>545,426</u>
TOTAL EXPENDITURES	<u>\$40,990,051</u>
Revenues Over (Under) Expenditures	\$ (371,687)
Fund Balance - July 1	<u>\$ 6,525,567</u>
Estimated Fund Balance - June 30	<u>\$ 6,153,880</u>

Note: The School District budgets conservatively and expects revenues and expenditures to match by the end of the fiscal year, maintaining fund balances at current levels.