

## 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: 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, 2019 audited  
financial statements.

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

Name: Sharon Raschke  
Title: Chief Financial Officer  
School District: Dexter Community Schools  
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**Continuing Disclosure Report**  
**December 2019**  
**Dexter Community Schools**  
**Counties of Washtenaw and Livingston, State of Michigan**  
**\$69,600,000 1998 School Building and Site 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> |
|--------------------|-------------------|--------------------|-------------------|
| 2019/20            | 3,627             | 2014/15            | 3,547             |
| 2018/19            | 3,646             | 2013/14            | 3,550             |
| 2017/18            | 3,628             | 2012/13            | 3,544             |
| 2016/17            | 3,586             | 2011/12            | 3,595             |
| 2015/16            | 3,550             | 2010/11            | 3,624             |

The projected K-12 enrollment for 2022/2023 is 3,693, 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, 2023           |
| Chief Financial Officer  | 1             | Non-affiliated  | June 30, 2021           |
| Executive Director Human Resources   | 1             | Non-affiliated  | June 30, 2021           |
| Administrators   | 13            | Dexter Administrators Association                           | June 30, 2022           |
| Teachers   | 251           | DEA/MEA/NEA   | June 30, 2022           |
| Para-Professionals, Secretarial,<br>Technology, Maintenance, Custodial<br>and Food Service | 159           | Dexter Educational Support<br>Personnel Association/MEA/NEA | June 30, 2022           |
| Bus Drivers and Bus Monitors   | 31            | West Washtenaw Bus Drivers and<br>Monitors Association      | June 30, 2022           |
| Other Non-Affiliated Personnel   | <u>59</u>     | Non-affiliated  | N/A                     |
| Total  | <u>516</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 &amp; Pension Plus</u> |
|---------------------------------------|--------------------------|-----------------------------------|
| October 1, 2019 - September 30, 2020  | 27.50 – 28.98%           | 25.55 – 30.16%                    |
| October 1, 2018 - September 30, 2019  | 25.32 – 27.82%           | 25.39 – 30.16%                    |
| 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%                    |

| <u>Fiscal Year Ending June 30,</u> | <u>Contribution to MPSERS</u> |
|------------------------------------|-------------------------------|
| 2020                               | \$9,856,000 (Estimated)       |
| 2019                               | 8,988,000                     |
| 2018                               | 9,007,000                     |
| 2017                               | 8,157,000                     |
| 2016                               | 7,899,000                     |

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

**History of Valuations – State Equalized Valuation and Taxable Valuation**

|      | <u>State Equalized Valuation</u> | <u>Taxable Valuation</u> |
|------|----------------------------------|--------------------------|
| 2019 | \$1,722,281,143                  | \$1,403,828,573          |
| 2018 | 1,629,979,824                    | 1,332,417,299            |
| 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            |

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> |        |
|--------------------|-----------------------|--|--------|---|--------|---|--------|
| 2019/20            | \$17,074,599          | In Process of Collection                 |        | In Process of Collection                      |        | In Process of Collection                      |        |
| 2018/19            | 16,705,647*           | \$15,381,812                             | 92.08% | \$16,068,449                                  | 96.19% | \$16,068,665                                  | 96.19% |
| 2017/18            | 15,588,870*           | 14,748,977                               | 94.61  | 15,338,990                                    | 98.40  | 15,340,930                                    | 98.41  |
| 2016/17            | 15,127,024*           | 14,333,850                               | 94.76  | 14,890,512                                    | 98.44  | 14,893,329                                    | 98.46  |
| 2015/16            | 14,769,618*           | 13,929,298                               | 94.31  | 14,624,089                                    | 99.01  | 14,629,116                                    | 99.05  |
| 2014/15            | 14,425,559*           | 13,291,521                               | 92.14  | 14,056,646                                    | 97.44  | 14,282,722                                    | 99.01  |

\* Total tax levy adjusted in subsequent tax year. March 1 and June 30 tax collections reflect percentages of adjusted levies at June 30 of each tax year.

**State Aid Payments**

| <u>Year</u> | <u>Blended Pupil Count</u> | <u>Foundation Allowance Per Pupil</u> | <u>Total State Aid Payments</u> |
|-------------|----------------------------|---------------------------------------|---------------------------------|
| 2019/20     | 3,627                      | \$8,328                               | \$31,233,419 (Estimate)         |
| 2018/19     | 3,644                      | 8,117                                 | 31,261,255                      |
| 2017/18     | 3,625                      | 7,905                                 | 30,179,925                      |
| 2016/17     | 3,585                      | 7,799                                 | 28,562,243                      |
| 2015/16     | 3,550                      | 7,693                                 | 27,719,067                      |
| 2014/15     | 3,538*                     | 7,569                                 | 26,841,302                      |

\* Blended pupil count is calculated on 10% prior school year spring and 90% current school year fall counts. For 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>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</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 2019 taxable valuations. The taxpayers listed below represent 6.68% of the School District’s 2019 Taxable Valuation of \$1,403,828,573.

| <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                   | \$27,300,795         |                        | \$27,300,795                               |
| International Transmission Company    | Utility                   | 13,735,936           |                        | 13,735,936                                 |
| Rover Pipeline LLC                    | Natural gas pipeline      | 12,367,118           |                        | 12,367,118                                 |
| Dexter Fastener                       | Engine fasteners          | 9,472,292            | \$1,745,457            | 11,217,749                                 |
| Enbridge Pipelines                    | Oil pipeline system       | 9,867,449            |                        | 9,867,449                                  |
| Thetford Corp                         | Plastic components        | 5,024,541            | 264,900                | 5,289,441                                  |
| United Methodist Retirement Community | Retirement develop        | 5,110,865            |                        | 5,110,865                                  |
| Power Wellness Management LLC**       | Wellness center           | 4,891,238            |                        | 4,891,238                                  |
| Thomson-Shore***                      | Publishing                | 2,206,300            | 1,579,100              | 3,785,400                                  |
| Consumers Energy                      | Utility                   | <u>3,768,905</u>     |                        | <u>3,768,905</u>                           |
| <b>TOTAL</b>                          |                           | <b>\$93,745,439</b>  | <b>\$3,589,457</b>     | <b>\$97,334,896</b>                        |

\* 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.

\*\* Taxable status is being protested and is currently in litigation. The owner is a nonprofit, charitable institution. The nonprofit status was upheld by the Michigan Tax Tribunal for 2014 - 2017 tax years.

\*\*\* Taxpayer filed Chapter 11 Bankruptcy on March 25, 2019

**Direct Debt**

|                 |   |                     |
|-----------------|---|---------------------|
| 06/01/98        | 1998 School Building and Site Bonds (UTQ)               | \$23,625,000        |
| 05/24/12        | 2012 School Building and Site and Refunding Bonds (UTQ) | 2,860,000           |
| 11/28/17        | 2017 School Building and Site and Refunding Bonds (UTQ) | <u>70,615,000</u>   |
| NET DIRECT DEBT |   | <u>\$97,100,000</u> |

**Legal Debt Margin**

|   |              |                      |
|---|--------------|----------------------|
| 2019 State Equalized Valuation                                |              | \$1,722,281,143      |
| Debt Limit (15% of 2019 State Equalized Valuation)            |              | 258,342,171          |
| Debt Outstanding  | \$97,100,000 |                      |
| Less bonds not subject to Debt Limit*                         | (97,100,000) |                      |
| Total Subject to Debt Limit                                   |              | <u>0</u>             |
| Additional Unlimited Tax Debt Which Could Be Legally Incurred |              | <u>\$258,342,171</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, 2020**

|   | Amended<br>12-2-19<br><u>2019/20</u> |
|---|--------------------------------------|
| <b><u>REVENUES</u></b>                      |                                      |
| Local Sources                               | \$ 5,936,576                         |
| State Sources                               | 30,839,421                           |
| Federal Sources                             | 1,610,654                            |
| Transfers and Other Financing Sources       | <u>5,697,147</u>                     |
| <br>TOTAL REVENUES                          | <br>\$44,083,798                     |
| <b><u>EXPENDITURES</u></b>                  |                                      |
| Instruction                                 |                                      |
| Basic Programs                              | \$ 21,735,535                        |
| Added Needs                                 | 5,138,856                            |
| Support Services                            |                                      |
| Pupil Support                               | 4,290,644                            |
| Instruction Staff Support                   | 2,478,558                            |
| General Administration                      | 613,094                              |
| School Administration                       | 2,564,461                            |
| Business Services                           | 732,215                              |
| Operations and Maintenance                  | 3,887,888                            |
| Transportation                              | 1,607,307                            |
| Other Central Support                       | 445,454                              |
| Community Services                          | 272,404                              |
| Outgoing Transfers and Other Financing Uses | <u>548,870</u>                       |
| <br>TOTAL EXPENDITURES                      | <br><u>\$44,315,286</u>              |
| <br>Revenues Over (Under) Expenditures      | <br>\$ (231,488)                     |
| <br>Fund Balance - July 1                   | <br><u>\$ 7,909,385</u>              |
| <br>Estimated Fund Balance - June 30        | <br><u>\$ 7,677,897</u>              |