

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: 2012 Refunding Bonds, Series B
Date and Amount: dated 09/20/2012, original amount: \$19,290,000
CUSIP ID #: 252255

Number of pages attached: 5 pages, plus June 30, 2014 audited
financial statements.

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
Address: 7714 Ann Arbor Street, Dexter, MI 48130
Telephone: 734-424-4100 x1015
FAX: 734-424-4111

Continuing Disclosure Report
December 2014
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
\$19,290,000 2012 Refunding Bonds, Series B

Enrollment History

| <u>School Year</u> | <u>Enrollment</u> | <u>School Year</u> | <u>Enrollment</u> |
|--------------------|-------------------|--------------------|-------------------|
| 2014/15 | 3,547 | 2009/10 | 3,647 |
| 2013/14 | 3,550 | 2008/09 | 3,641 |
| 2012/13 | 3,544 | 2007/08 | 3,642 |
| 2011/12 | 3,595 | 2006/07 | 3,614 |
| 2010/11 | 3,624 | 2005/06 | 3,534 |

The projected K-12 enrollment for 2018/2019 is 3,547, 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, 2018 |
| Chief Financial Officer | 1 | Non-affiliated | June 30, 2016 |
| Administrators | 12 | Dexter Administrators Association | June 30, 2016 |
| Teachers | 229 | DEA/MEA/NEA | June 30, 2016 |
| Para-Professionals, Secretarial, Technology, Maintenance, Custodial and Food Service | 145 | Dexter Educational Support Personnel Association/MEA/NEA | June 30, 2016 |
| Bus Drivers and Bus Monitors | 37 | West Washtenaw Bus Drivers and Monitors Association | June 30, 2016 |
| Other Non-Affiliated Personnel | <u>40</u> | Non-affiliated | N/A |
| Total | <u>465</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>Pension Contribution Rate</u> | <u>Defined Contributions Contribution Rate</u> |
|---------------------------------------|--------------------------------------|--|
| October 1, 2014 – September 30, 2015 | 20.96 – 25.78% | 0 – 6% |
| October 1, 2013 – September 30, 2014 | 20.96 - 24.79 %* | 0 – 6% |
| February 1, 2013 – September 30, 2013 | 20.96 - 24.32 %* | 0 – 6% |
| October 1, 2012 - January 31, 2013 | 20.96 - 25.36 %* | |
| October 1, 2011 – September 30, 2012 | 24.46 % | |
| November 1, 2010 – September 30, 2011 | 20.66 % | |
| October 1, 2010 – October 31, 2010 | 19.41 % | |

| <u>Fiscal Year Ending June 30,</u> | <u>Contribution to MPSERS</u> |
|------------------------------------|-------------------------------|
| 2015 | \$6,728,000 (Estimated) ** |
| 2014 | \$6,075,000 ** |
| 2013 | \$5,435,000 ** |
| 2012 | \$4,911,000 |
| 2011 | \$4,065,000 |

* Public Act 300 of 2012 (Pension Reform 2012) provided members a choice to increase, maintain or stop their contributions to the pension fund. The employer contribution rate is the full actuarial funding of the pension benefit plus the retiree health care benefit amounts on a cash disbursement basis. In addition the employer contributes to the Defined Contribution plan based on the members election.

** The Contribution to MPSERS above includes supplemental payments that were reimbursed by section 147(c) of State Aid in the amounts of \$1,029,602 and \$392,692 in 2012/13 and 2013/14, respectively. The estimated amount to be reimbursed by sections 147(c) and 147(d) of State Aid for 2014/15 is \$2,014,005.

History of Valuations – State Equalized Valuation and Taxable Valuation

| | <u>State Equalized Valuation</u> | <u>Taxable Valuation</u> |
|------|--------------------------------------|------------------------------|
| 2014 | \$1,290,189,197 | \$1,162,043,625 |
| 2013 | 1,221,125,562 | 1,122,070,648 |
| 2012 | 1,195,068,757 | 1,092,947,510 |
| 2011 | 1,204,027,843 | 1,088,178,418 |
| 2010 | 1,244,205,710 | 1,098,712,770 |

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> |
|------------------------|---------------------------|--|---|--|
| 2014/15 | \$13,969,287 | In Process of Collection | In Process of Collection | In Process of Collection |
| 2013/14 | 13,562,660 | \$12,500,177 92.17% | \$13,220,063 97.47% | \$13,434,920 99.06% |
| 2012/13 | 13,284,549 | 12,278,433 92.43 | 12,650,471 95.23% | 13,112,579 98.64 |
| 2011/12 | 13,337,791 | 12,331,879 92.46 | 12,767,112 95.72 | 13,202,836 98.99 |
| 2010/11 | 13,418,137 | 12,119,172 90.32 | 12,623,081 94.07 | 13,273,019 98.92 |
| 2009/10 | 14,030,764 | 12,258,768 87.37 | 12,907,436 91.99 | 14,000,280 99.78 |

* Some payments from the Washtenaw County Tax Payment Fund are received after June 30. In 2009/10 payments from Scio and Northfield were received in August 2010 and September 2010, respectively.

State Aid Payments

| <u>Year</u> | <u>Blended Pupil Count</u> | <u>Foundation Allowance Per Pupil</u> | <u>Total State Aid Payments</u> |
|-------------|----------------------------|---------------------------------------|---------------------------------|
| 2014/15 | 3,552 | \$7,569 | \$24,588,068 (Estimate) |
| 2013/14 | 3,523 | 7,519 | 25,841,848 |
| 2012/13 | 3,550 | 7,468 | 25,354,276 |
| 2011/12 | 3,595 | 7,468 | 25,637,859* |
| 2010/11 | 3,629 | 7,938 | 25,461,834* |

* The Foundation allowance above was prorated in 2010/11 and 2011/12; the total state aid payments above do not include additional funding the district received from the Federal American Recovery and Reinvestment Act of 2009 (ARRA) stabilization funds in the amounts of \$1,019,273 and \$423,308, respectively, and additional funding from the Federal Education Jobs Funding grant in the amounts of \$682,037 and \$51,523 in 2010/11 and 2011/12, respectively.

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

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</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 2014 taxable valuations. The taxpayers listed below represent 7.07% of the School District's 2014 Taxable Valuation of \$1,162,043,625.

| <u>Taxpayer</u> | <u>Product or Service</u> | <u>Taxable Value</u> | <u>Equivalent IFT*</u> | <u>Total Valuation Subject to Taxation</u> |
|---------------------------------------|---------------------------|----------------------|------------------------|--|
| Dexter Fastener | Engine fasteners | \$23,153,218 | | \$23,153,218 |
| DTE Energy Company | Utility | 22,990,913 | | 22,990,913 |
| International Transmission Company | Utility | 8,186,021 | | 8,186,021 |
| Thomson-Shore | Publishing | 3,081,687 | \$4,607,300 | 7,688,987 |
| Chelsea Health & Wellness | Wellness center | 5,172,100 | | 5,172,100 |
| Thetford Corp | Plastic components | 4,858,256 | | 4,858,256 |
| United Methodist Retirement Community | Retirement devel. | 4,784,418 | | 4,784,418 |
| Dapco Industries | Valves and fittings | 3,545,900 | | 3,545,900 |
| Nagel Precision Inc | Honing machines | 3,273,100 | | 3,273,100 |
| Creative Solutions | Computer software | <u>3,149,600</u> | | <u>3,149,600</u> |
| TOTAL | | \$82,195,213 | \$4,607,300 | \$86,802,513 |

* 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) | \$ 31,500,000 |
| 09/29/08 | 2008 School Building and Site and Refunding Bonds (UTQ) | 35,145,000 |
| 05/24/12 | 2012 School Building and Site and Refunding Bonds (UTQ) | 14,375,000 |
| 09/20/12 | 2012 Refunding Bonds, Series B (UTQ) | <u>9,640,000</u> |
| NET DIRECT DEBT | | <u>\$90,660,000</u> |

Legal Debt Margin

| | | |
|---|--------------|----------------------|
| 2014 State Equalized Valuation | | \$1,290,189,197 |
| Debt Limit (15% of 2014 State Equalized Valuation) | | \$193,528,380 |
| Debt Outstanding | \$90,660,000 | |
| Less bonds not subject to Debt Limit* | (90,660,000) | |
| Total Subject to Debt Limit | | <u>0</u> |
| Additional Unlimited Tax Debt Which Could Be Legally Incurred | | <u>\$193,528,380</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, 2015**

| | Amended 11-24-14 <u>2014/15</u> |
|---|---------------------------------------|
| <u>REVENUES</u> | |
| Local Sources | \$ 4,536,524 |
| Other Political Subdivisions | 3,461 |
| State Sources | 27,232,231 |
| Federal Sources | 830,130 |
| Transfers and Other Financing Sources | <u>3,383,939</u> |
| TOTAL REVENUES | \$35,986,285 |
| <u>EXPENDITURES</u> | |
| Instruction | |
| Basic Programs | \$ 17,609,361 |
| Added Needs | 3,443,346 |
| Support Services | |
| Pupil Support | 3,711,293 |
| Instruction Staff Support | 2,287,597 |
| General Administration | 812,196 |
| School Administration | 2,191,366 |
| Business Services | 591,642 |
| Operations and Maintenance | 3,197,372 |
| Transportation | 1,641,040 |
| Other Central Support | 176,666 |
| Community Services | 1,827 |
| Outgoing Transfers and Other Financing Uses | <u>623,882</u> |
| TOTAL EXPENDITURES | <u>\$36,287,588</u> |
| Revenues Over (Under) Expenditures | \$ (301,303) |
| Fund Balance - July 1 | <u>\$ 6,183,339</u> |
| Estimated Fund Balance - June 30 | <u>\$5,882,036</u> |