MOODY'S INVESTORS SERVICE

ISSUER COMMENT

7 February 2024

RATING

Issuer Rating [1]	
Aa3	No Outlook

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EMEA	44-20-7772-5454

Dexter Community Schools, MI

Annual comment on Dexter Community Schools

Issuer profile

Dexter Community Schools is located in Washtenaw County in the southeastern region of Michigan's lower peninsula, approximately 10 miles northwest of Ann Arbor and 40 miles west of Detroit.

Key indicators

Exhibit 1

Dexter Community Schools, MI

	2020	2021	2022	2023	Aa Medians
Economy					
Resident income	183.2%	177.3%	N/A	N/A	119.0%
Full value ($000)	$3,700,948	$3,850,036	$3,963,819	N/A	$4,006,926
Population	21,681	21,524	N/A	N/A	32,280
Full value per capita	$170,700	$178,872	N/A	N/A	$117,713
Enrollment	3,619	3,382	3,411	3,364	4,165
Enrollment trend	0.4%	-2.2%	-2.1%	-2.4%	-1.1%
Financial performance					
Operating revenue ($000)	$56,422	$58,600	$62,413	$66,405	$73,934
Available fund balance ($000)	$11,782	$13,504	$13,801	$12,431	$19,809
Net cash ($000)	$13,061	$14,840	$17,372	$13,756	$23,502
Available fund balance ratio	20.9%	23.0%	22.1%	18.7%	28.9%
Net cash ratio	23.1%	25.3%	27.8%	20.7%	33.9%
Leverage					
Debt ($000)	$118,326	$109,593	$99,145	$105,576	$52,862
ANPL ($000)	$199,585	$227,900	$191,953	$122,913	$130,338
OPEB ($000)	$38,528	$36,293	$21,860	$8,607	$11,158
Long-term liabilities ratio	631.7%	637.9%	501.4%	357.0%	342.1%
Implied debt service ($000)	$8,826	$8,474	$7,687	$6,924	$3,664
Pension tread water ($000)	$7,205	$7,498	$5,556	N/A	$3,270
OPEB contributions ($000)	$1,915	$1,953	$1,980	$2,153	$367
Fixed-costs ratio	31.8%	30.6%	24.4%	22.0%	12.2%

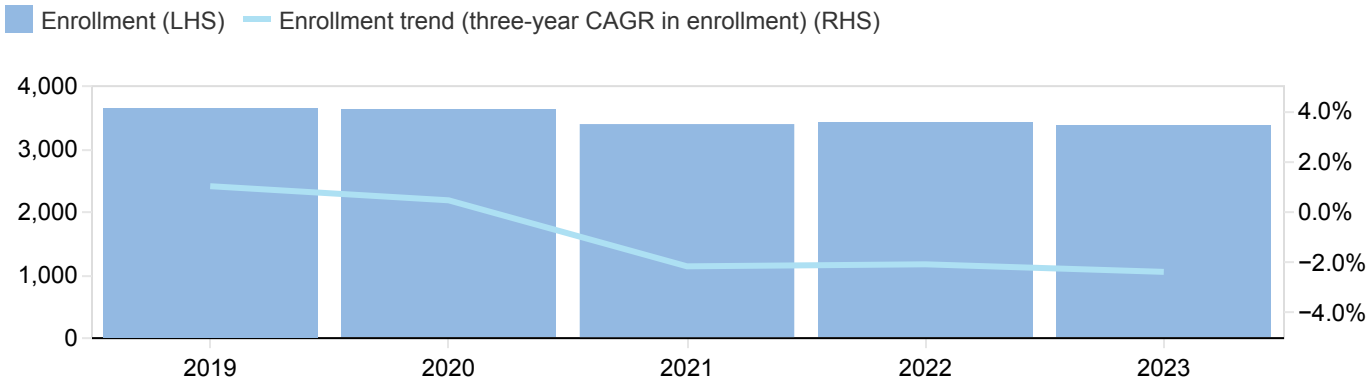
For definitions of the metrics in the table above please refer to the US K-12 Public School Districts Methodology or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published K12 Median Report.

Sources: US Census Bureau, Dexter Community Schools, MI's financial statements and Moody's Investors Service

Credit overview

Economy

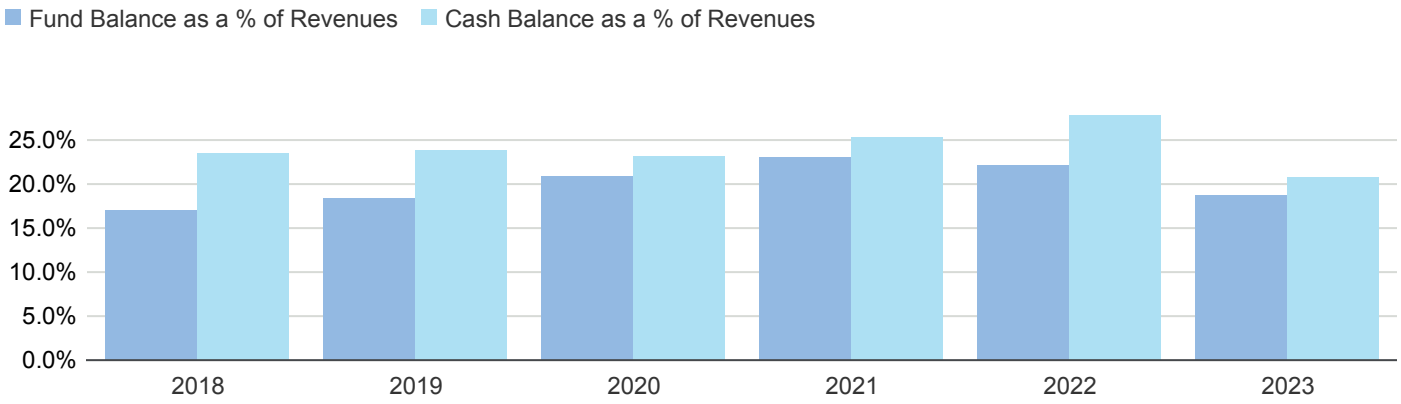
Exhibit 2
Enrollment



Source: Moody's Investors Service

Financial performance

Exhibit 3
Financial Trends

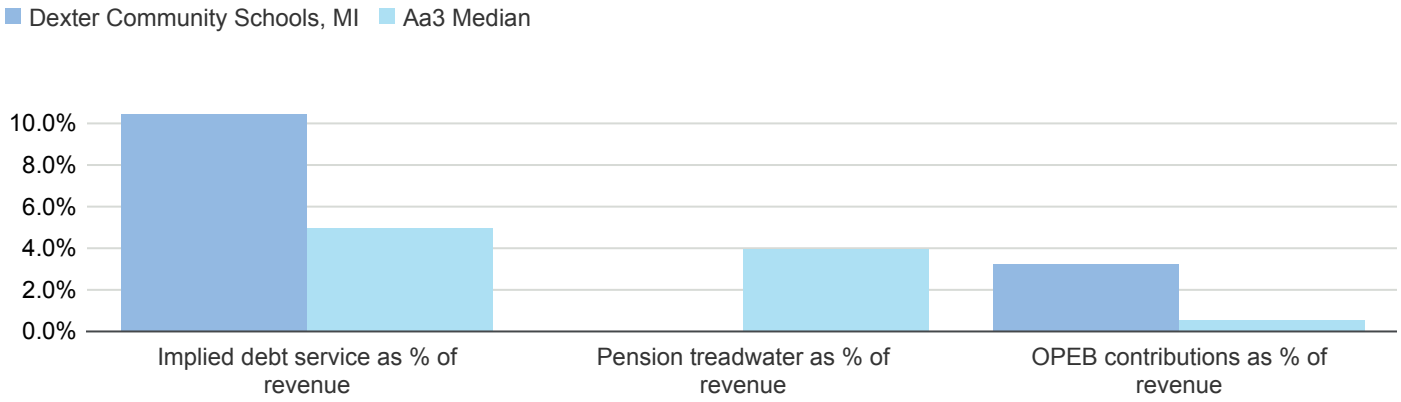


Source: Moody's Investors Service

Leverage

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Exhibit 4
Fixed costs components



Source: Moody's Investors Service

Appendix

Exhibit 5
Key Indicators Glossary

	Definition	Source
Economy		
Resident income	Median Household Income (MHI), adjusted for Regional Price Parity (RPP), as a % of the US	MHI: American Community Survey (US Census Bureau) RPP: US Bureau of Economic Analysis
Full value ($000)	Estimated market value of taxable property accessible to the district	State repositories, district's audited financial reports, offering documents or continuing disclosure
Population	Population of school district	American Community Survey (US Census Bureau)
Full value per capita	Full value / population of school district	
Enrollment	Student enrollment of school district	State data publications
Enrollment trend	3-year Compound Annual Growth Rate (CAGR) of Enrollment	State data publications; Moody's Investors Service
Financial performance		
Operating revenue ($000)	Total annual operating revenue in what we consider to be the district's operating funds	Audited financial statements
Avalable fund balance ($000)	Committed, assigned and unassigned fund balances in what we consider to be the district's operating funds	Audited financial statements
Net cash ($000)	Net cash (cash and liquid investments minus short-term debt) in what we consider to be the district's operating funds	Audited financial statements
Available fund balance ratio	Available fund balance / Operating Revenue	Audited financial statements
Net cash ratio	Net Cash / Operating Revenue	Audited financial statements
Leverage		
Debt ($000)	District's direct gross debt outstanding	Audited financial statements; official statements
ANPL ($000)	District's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
OPEB ($000)	District's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Investors Service
Implied debt service ($000)	Annual cost to amortize district's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water ($000)	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contributions ($000s)	District's actual contribution in a given period, typically the fiscal year	Audited financial statements; official statements
Fixed-costs ratio	Implied debt service, pension tread water and OPEB contributions as % of operating revenue	Audited financial statements, official statements, pension system financial statements

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the US K-12 Public School Districts Methodology.
Source: Moody's Investors Service

Endnotes

1 Issuer Rating reflects the government's ability to repay debt and debt-like obligations without consideration of any pledge, security or structural features. In some circumstances, credit characteristics are sufficient to result in a GO bond rating that is higher than the Issuer Rating. Local governments with Moody's rated debt outstanding will have separate ratings detailed by security pledge on their Moody's.com issuer page and credit opinions explaining our credit view for each rating.

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