

Topic 1: Tax Impact of the Referendum

If the Bond issue passes, the District does not anticipate an increase in the overall levy rate or debt service levy rate next year (FY2020) from the current year’s levy rate (FY2019).

This is the result of the Board’s strategic management of the:

- Operating budget (general fund and management fund),
 - Ample reserves have been built in both funds
- existing debt payments, and
 - District has been levying for current payments and additional payments for the High School project over the past few years
- the overall levy rate
 - the District’s levy rate is at its lowest in the past 15 years (\$19.60), this compares to an average levy rate during that time period of \$21.80

Topic 2: How Does the Financing Plan Accomplish No Tax Rate Increase

The District will sell Bonds in one or more series of debt over the next couple of years as valuations allow. The Bonds will be paid with the District’s debt service levy. All taxable property (including utilities and tax increment financing areas) pay for the debt service payments on the Bonds.

In order to achieve the District’s debt service levy rate goals the following will occur:

- The new debt payments will extend the final debt repayment from FY2029 to FY2041
- The district will slow down the prepayment levy on the High School debt for a few years with the potential to restart prepayment on the High School debt if valuations increase

Topic 3: Breakout of Property Taxes

In FY2010, the District started payment on the High School project. What is the debt service levy rate? What portion of the total taxes paid by residents of each City is paid towards debt service? What percentage of the total taxes paid by residents of each City is paid towards debt service?

City	FY2019 Total Tax Rate	FY2019 School Debt Payment	FY2019 % of Total Tax Payment to School Debt	FY2019 % of Total Taxes to School	FY2010 Total Tax Rate	FY2010 School Debt Payment	FY2010 % of Total Tax Payment to School Debt	FY2010 % of Total Taxes to School
Cambridge	35.60092	4.05000	11.4%	55.1%	38.78992	4.05000	10.4%	59.9%
Huxley	38.65510	4.05000	10.5%	50.7%	40.78499	4.05000	9.9%	57.0%
Kelley	36.05931	4.05000	11.2%	54.4%	38.78992	4.05000	10.4%	59.9%
Slater	41.14892	4.05000	9.8%	47.7%	45.04192	4.05000	9.0%	51.6%

*Note: rural residents pay the same debt service levy, but may have a different overall levy rate due to property in various townships.

Topic 4: Impact of TIF Financing and Urban Renewal Areas on School District Tax Rates

Cities and Counties can issue debt obligations that utilize a method of financing commonly called TIF Financing through utilization of the establishment and development of Urban Renewal Areas. Three of the District's communities have utilized this method of financing in order to fund or offset costs associated with various Urban Renewal projects.

Breakout of TIF Valuations for FY2019 Budget Valuations (1/1/2017 Taxable Valuations)

	Taxable Valuation (Non TIF)	Increment Value TIF	Total Taxable Valuation
Ballard	307,232,652	108,342,532	415,575,184
Cambridge	12,994,131	13,562,095	26,556,226
Huxley	79,454,193	91,822,181	171,276,374
Kelley	8,936,043	0	8,936,043
Slater	64,649,513	2,851,800	67,501,313
Rural	141,198,772	106,456	141,305,228

Breakout of School District Tax Rates, and estimated State Aid Payments, comparing current year's budget and modeling scenario that assume the TIF valuations within the District (Scenario 1) and within each individual community Scenario 2, 3, and 4) are not in place. Debt Service and PPEL levies are not impacted by the existence of TIF areas. The District's operating levies and management fund are impacted to a degree, but the District also receives additional State Aid payment through the school foundation formulas to offset some of the impact of TIF.

Scenario	Operating (non ISL)	Operating (ISL)	Manage ment	PPEL	Debt Service	Total	State Aid
FY2019 Actual Tax Rates	10.65172	1.43064	2.30220	1.17847	4.05000	19.61303	12,008,025
1. Remove all TIF	10.01160	1.74270	1.70200	1.17847	4.05000	18.68477	11,054,701
2. Remove Cambridge Only	10.44297	1.48129	2.20487	1.17847	4.05000	19.35760	11,854,271
3. Remove Huxley Only	10.07268	1.70596	1.77246	1.17847	4.05000	18.77957	11,194,066
4. Remove Slater Only	10.50739	1.44166	2.28102	1.17847	4.05000	19.45854	11,944,625

*Note: Hypothetical property tax rates are calculated using the FY2019 Budget File from the Iowa Department of Management with adjustments for the valuations components between TIF and Non TIF. Also, simply because one community represents a certain percentage of the TIF valuation, it does not directly translate to the same percentage of tax rate impact because of the interworking of the statewide school funding formulas.