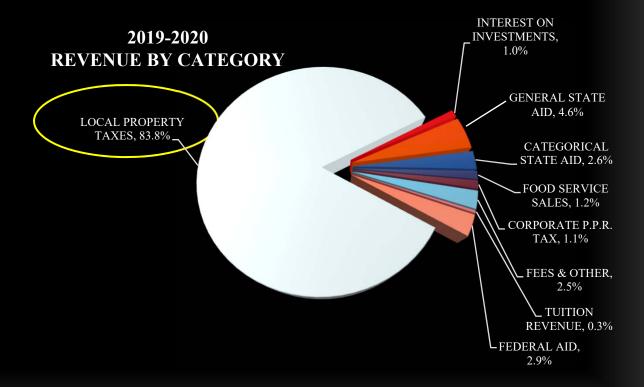
Levy Chapter 4:

The Levy and Budget Relationship

Property Taxes are D211's Primary Revenue Source

Approximately
84% of the
District's total
revenue comes
from property
taxes



Budgets and Levies Overlap



The current year levy impacts the following year's budget

Budget and Levy Sequence



Tax Cap Limitation on Levy

A levy decrease in Operating Funds for one year (2019) results in compounded lost revenue that can never be recovered under limitations of Tax Cap law

\$10.4 million in lost Operating Fund revenue over 5 years

Example-\$2 million reduction in levy year 2018 Losses continue in perpetuity

2019 Levy:

(\$2,000,000)

2020 Levy*: (\$2,040,000)

2021 Levy*: (\$2,080,000)

2022 Levy*: (\$2,110,000)

2023 Levy*: (\$2,160,000)

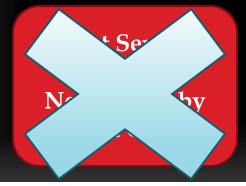
The compounding loss of revenue adversely effects the District's ability to sustain its long-term plan of sustaining programming while paying for facility improvements free of debt

* Assumes CPI increase of 2% in 2020 levy and 1.5% in 2021-2023 levies consistent with projections

Operating Debt Free

Allowable Levy

Operating Levy
Subject to Tax
Cap
(CPI-U + New
Property
Growth)



- 1. All operations are funded through the Operating Levy, including major facility improvements
- 2. No Debt Service Levy extended to taxpayers, which translates to lower taxes
- 3. Sustainability of operating debt-free relies on long-term planning to ensure that levy revenue aligns with expenses

Prudent Financial Planning

In order to remain debt-free, the District must operate within a structural surplus of its select operating funds to support strategic capital initiatives



 Provides necessary funding to support all District operations within limitations of the Tax Cap



Funds from the Operating Levy are used 1) to pay for operating fund expenditures and 2) for transfer to non-operating funds to pay for capital improvement projects



•Operating Levy provides 85% of total budget revenue- used to support operations and capital improvements WITHOUT debt.