

## MY PROPERTY TAXES HAVE GONE UP!

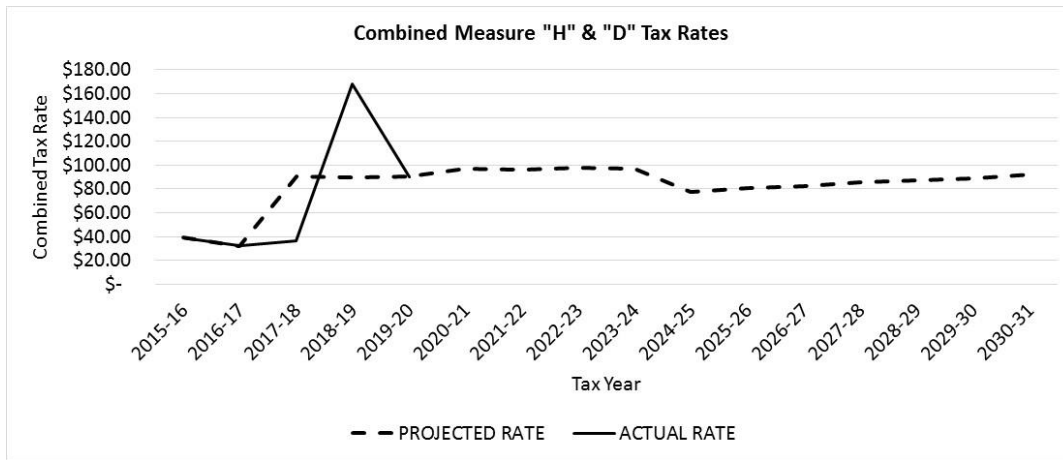
It has come to our attention that tax rates for the General Obligation Bonds of the District have experienced significant variances from the originally projected rates, as shared with the community during the June 2016 election (Measure “D”). In conjunction with the Humboldt County Auditor-Controller’s Office and our advisors, Eastshore Consulting LLC, we have examined the recent tax rates and it appears that the tax to support Measure “D” bonds was not levied last year (2017-18). As such, the tax levy for Measure “D” was effectively doubled in the current tax year (2018-19) to make up for funds not collected in 2017-18. It appears that this issue only impacted the Measure “D” bonds and did not impact the tax rates for the District’s prior, November 2008 election, Measure “H” bonds.

### BRIEF TAX RATE HISTORY

Year	Actual Combined Tax Rate	Projected Measure "H" Tax Rate	Projected Measure "D" Tax Rate	Combined Projected Tax Rate	Variance (Under)/Over
2015-16	\$39.00				
2016-17	\$32.00				
2017-18	\$32.00	\$32.71	\$57.75	\$90.46	-\$58.46 (1)
2018-19	\$168.00	\$32.46	\$57.32	\$89.78	\$78.22
2019-20		\$32.74	\$57.51	\$90.25	

(1) Planned first year of Measure "D" tax

As a result of reduced tax rates in 2017-18, 2018-19 tax rates are higher than projected. As originally projected, during 2017-18 and 2018-19, tax rates were intended to be roughly \$32.50 per \$100,000 of taxable value for Measure “H” and just over \$57 per \$100,000 for Measure “D”.



Despite the variances, our review indicates total taxation required from the Klamath-Trinity Joint USD will *not* exceed original estimates. While residents did benefit from a “tax holiday” in the 2017-18 tax year, it resulted in the need to levy higher rates in 2018-19. However, we anticipate that future rates will stabilize as originally projected, with a combined tax rate of approximately \$95 per a year in future years. Furthermore, the District and its advisor are committed to working with the County to ensure that future rate variances do not occur, and we have instituted a review process to monitor tax rates in the years to come.

If you would like to discuss the tax rates further or review more detailed projections, please contact Shin Green of Eastshore Consulting LLC, our financial advisors, at (510) 725-2930. He will provide any additional details you require and answer any questions you may have. We apologize for the confusion resulting from the reduced tax rates in 2017-18 and subsequent increased rates in 2018-19 – but are confident that the total cost to the community will be in alignment with original plans.