



**Kiel Area School District  
Preliminary Debt Structuring and Tax Impact Calculations  
For \$24 Million - April 2025 Referendum**

**Dated: January 8, 2025**

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Assumptions Used to Calculate the Preliminary Tax Impact

1. Three-Phase Financing – 20 Years Each – Total 23 Year Repayment

The projects included in the referendum would take place over a three-year period. Each phase of borrowing would be structured in accordance with a construction draw schedule to meet the funding needs of the project and for the School District to be in compliance with Federal arbitrage regulations.

2. Estimated Interest Rate – 4.25% - Includes Financing Team Expenses
3. Debt Structure – Financial Plan Goals – The \$24 Million of projects are expected to meet some of the current needs of the District. However, the District anticipates there may be future capital needs to be addressed at a future referendum. Therefore, the financial plan includes structuring the \$24 Million around the District's existing debt service, and creating a decline in debt service after eight years, to plan for the possibility of additional debt, if needed.
4. Tax Base Numbers for Tax Rate Calculation

The School District's 2024 equalized valuation - \$1,263,132,410 – was used by municipalities for the December 2024 tax bills. The 2024 equalized valuation was used to calculate the preliminary tax rate increase of \$1.32 per \$1,000.

However, the \$24 Million's first tax impact would be included in the December 2025 tax bills, which would have a different (2025) equalized value. Assuming a 4% growth in value, the number would be \$1,313,657,706 and the preliminary tax rate increase calculation would be \$1.27 per \$1,000.

**\$24 Million Estimated Annual Debt Service Schedule**

Annual combined debt service is increased in 2026 to approximately \$2,730,000 and remains at that level through 2033 (8 years) and declines thereafter to approximately \$1,900,000.

**\$24 Million G.O. Bonds - 3 Phase Financing - 23 Years @ 4.25% - Decline After 8 Yrs.**

Calendar Year	Principal	Est. Rate	Estimated Interest	\$24 Million Total Est. Debt Service	Existing Debt Service	Combined Est. Debt Service
2025	-	-	-	-	1,060,000.00	1,060,000.00
2026	665,000.00	4.250%	1,005,868.75	1,670,868.75	1,060,000.00	2,730,868.75
2027	690,000.00	4.250%	977,075.00	1,667,075.00	1,060,000.00	2,727,075.00
2028	725,000.00	4.250%	947,006.25	1,672,006.25	1,060,000.00	2,732,006.25
2029	1,070,000.00	4.250%	908,862.50	1,978,862.50	750,000.00	2,728,862.50
2030	1,115,000.00	4.250%	862,431.25	1,977,431.25	750,000.00	2,727,431.25
2031	1,165,000.00	4.250%	813,981.25	1,978,981.25	750,000.00	2,728,981.25
2032	1,215,000.00	4.250%	763,406.25	1,978,406.25	750,000.00	2,728,406.25
2033	1,270,000.00	4.250%	710,600.00	1,980,600.00	750,000.00	2,730,600.00
2034	475,000.00	4.250%	673,518.75	1,148,518.75	750,000.00	1,898,518.75
2035	495,000.00	4.250%	652,906.25	1,147,906.25	750,000.00	1,897,906.25
2036	520,000.00	4.250%	631,337.50	1,151,337.50	750,000.00	1,901,337.50
2037	540,000.00	4.250%	608,812.50	1,148,812.50	750,000.00	1,898,812.50
2038	565,000.00	4.250%	585,331.25	1,150,331.25	750,000.00	1,900,331.25
2039	610,000.00	4.250%	560,362.50	1,170,362.50	730,000.00	1,900,362.50
2040	1,380,000.00	4.250%	518,075.00	1,898,075.00	-	1,898,075.00
2041	1,440,000.00	4.250%	458,150.00	1,898,150.00	-	1,898,150.00
2042	1,505,000.00	4.250%	395,568.75	1,900,568.75	-	1,900,568.75
2043	1,570,000.00	4.250%	330,225.00	1,900,225.00	-	1,900,225.00
2044	1,635,000.00	4.250%	262,118.75	1,897,118.75	-	1,897,118.75
2045	1,710,000.00	4.250%	191,037.50	1,901,037.50	-	1,901,037.50
2046	1,780,000.00	4.250%	116,875.00	1,896,875.00	-	1,896,875.00
2047	1,860,000.00	4.250%	39,525.00	1,899,525.00	-	1,899,525.00
-	<b>\$24,000,000.00</b>	-	<b>\$13,013,075.00</b>	<b>\$37,013,075.00</b>	<b>\$12,470,000.00</b>	<b>\$49,483,075.00</b>

Tax Impact Calculation: Existing Debt Service in 2025 - \$1,060,000  
 Est. Combined Debt Service in 2026 - \$2,730,000 (8 Yrs)  
 Est. Tax Levy Increase - \$1,670,000

\$1,670,000 divided into 2024 Equalized Value - \$1,263,132,410 = \$1.32/\$1,000  
 \$132 per \$100,000 of Property Value

\$1,670,000 divided into projected 2025 Equalized Value - \$1,313,657,706 = \$1.27/\$1,000  
 \$127 per \$100,000 of Property Value