

Defeasance Program Update for FY 2026 | May 18, 2026

La Vernia Independent School District



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Victor Quiroga, Jr.
Managing Director
17721 Rogers Ranch Pkwy | Suite 140
San Antonio, Texas 78258
Direct: 210.239.0204
Text-Only: 361.282.1285
victor@spfmuni.com



LVISD Defeasance Program Update

Principal Retired (since 2021):

\$8.24M

Interest Savings (since 2021):

\$1.99M

Stable I&S Rate (2021-2025):

\$0.395

Key Outcomes:

- Stable I&S tax rate assisted passage of the **May 2023 Bond** (\$109M) with no rate increase.
- FY 2026 I&S rate reduced to **\$0.385**, generating **~\$464k in excess collections**.

FY 2025 – Innovative Use of Defeasance Funds:

- **Redirected \$3.6M** from old bonds (2-3% rate) to new higher-cost bonds
- **Saved \$6M** in interest through early principal payoff

Proposed Use of FY 2026 Excess Funds:

- Recommended action before 6/30/26
- Apply **~\$464K excess I&S collections** to S-2016 bonds
 - **Estimated savings of ~\$170K in interest.**



FY 2026 Defeasance Budget & Projected Savings

Preliminary Calculation of CY 2026 Defeasance Funds

CY 2026 I&S Tax Rate	\$	0.3850	36.6004%
CY 2026 M&O Tax Rate	\$	0.6669	63.3996%
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Total CY 2026 Tax Rate	\$	1.0519	
Assumed Tax Collection Rate		96.00%	
CY 2026 Freeze-Adjusted AV	\$	1,662,375,957	(1)
Projected I&S Tax Revenue	\$	6,144,142	
Total Frozen Revenues	\$	1,762,966	
I&S Portion of Frozen Revenues	36.6004%	\$ 619,443	at 96.00% collections
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Projected Total I&S Tax Revenues	\$	6,763,585	

Less: Scheduled CY 2026 Debt Service Payments

Series 2015 Refunding	\$	538,688
Series 2016 Refunding		218,500
Series 2017 Refunding		339,000
Series 2023		2,134,663
Series 2025		4,213,875

Total Debt Service	\$	7,444,725
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Estimated ASAHE	\$	1,145,221	(2)
IFA		-	
EDA		-	

Total State Aid	\$	1,145,221
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AMOUNT AVAILABLE FOR DEFEASANCE	\$	464,081
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- **Funds required to be used by 6/30/2026 to pay off debt early**
- **Estimated Results:**
 - **Targeted Bonds = Series 2016**
 - **Principal Paid Early = ~\$450,000**
 - **Interest Cost Savings = ~\$170,499**

(1) Provided by the Wilson County Appraisal District and Guadalupe County Appraisal District as of July 21, 2025 and August 21, 2025, respectively. AV includes 60% of the under review amount of \$7,044,541

(2) ASAHE provided by the TEA Summary of Finances as of March 19, 2026.



Defeasance Program Savings History and FY 2026 Next Steps

Closed	Defeased Bonds					Net D/S Savings
	Issue	Maturities	Call Date	Interest Rates	Principal	
2/25/21	Portion of S-2012	2032-2034	8/15/21	3.00% - 3.25%	1,160,000	419,768
3/22/22	S-2012 & Portion of S-2014	2028-2032	3/23/22; 8/15/23	3.25% - 3.50%	3,165,000	864,998
6/28/23	S-2014 & Portion of S-2015	2024-2028 & 2037	8/15/23; 8/15/25	3.00% - 3.25%	3,915,000	705,961
6/30/26	Portion of S-2016 *	2039	8/15/26	3.00%	450,000	170,499
					\$ 8,690,000	\$ 2,161,226

Note: Preliminary 2026 information is as of May 11, 2026 for purposes of illustration only. Preliminary, subject to change.

FY 2026 Next Steps:

- May 18, 2026 – Board approves a Defeasance Resolution
- June 29, 2026* – District wires excess collections to escrow
- June 30, 2026* – Defeasance transaction closes

(*) Tentative, subject to change.