

Bond: The Financial Impact

What is a bond? A bond is similar to a home mortgage in many ways. It is a contract to repay borrowed money with an interest rate over time. Bonds are sold by school districts to competing lenders to raise funds to pay for the costs of construction, renovations and equipment. The voters approve this borrowing and this money is not used to pay for operating expenses such as salaries, electricity, supplies, etc.

School District Tax Rates

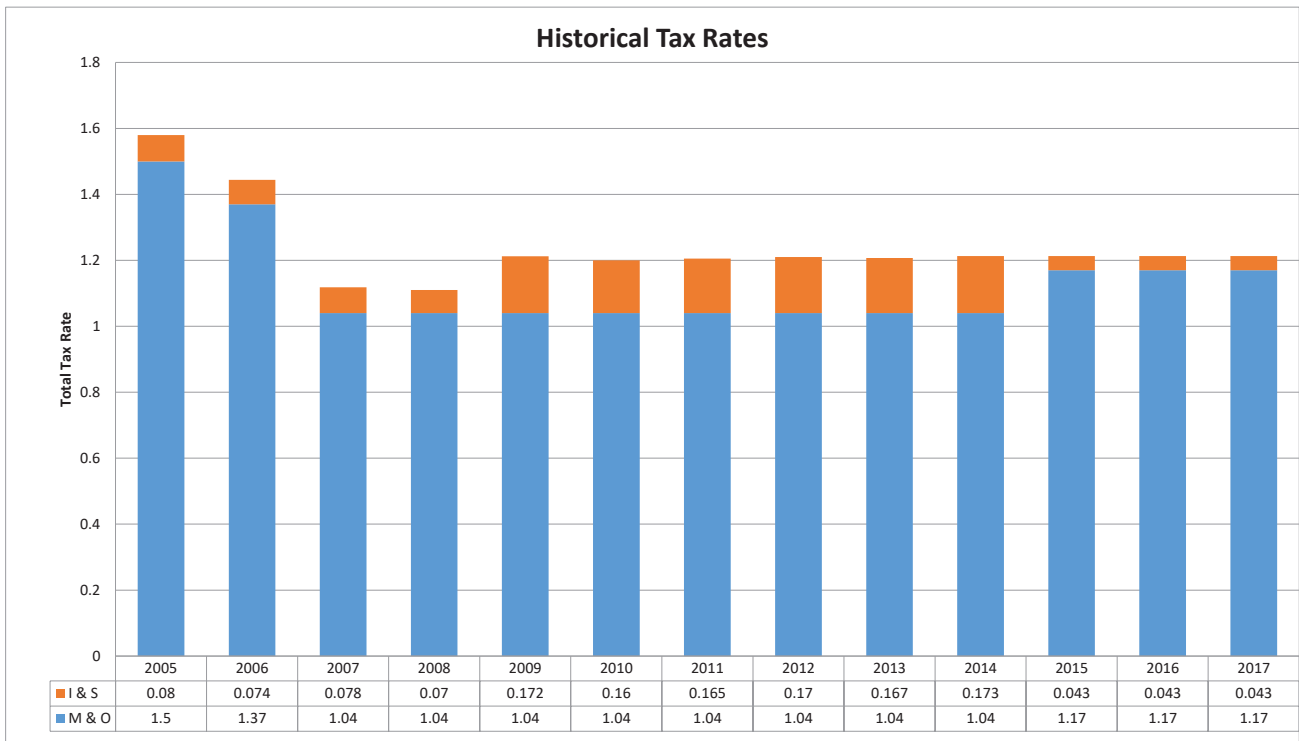
Lufkin ISD 2017 Tax Rate

1.1700	M & O
0.0430	I & S
1.2130	Total Tax Rate

There are two components that made up the school district tax rate.

- M & O** - stands for Maintenance and Operations. The funds generated by this portion of the tax rate are used by the district to conduct its everyday business, like paying for salaries, utilities, supplies, etc.
- I & S** - stands for Interest and Sinking. These funds have the strict purpose to pay debt incurred by the district. That debt is incurred by selling bonds. The revenue received by selling the bonds can only be used for the reasons approved by the voters.

These two rates combined equal the total tax rate that a school district uses to tax property owners.



Year	M & O	I & S	Total	Year	M & O	I & S	Total
2005	1.5000	0.0800	1.5800	2012	1.0400	0.1700	1.2100
2006	1.3700	0.0740	1.4440	2013	1.0400	0.1670	1.2070
2007	1.0400	0.0780	1.1180	2014	1.0400	0.1730	1.2130
2008	1.0400	0.0700	1.1100	2015	1.1700	0.0430	1.2130
2009	1.0400	0.1720	1.2120	2016	1.1700	0.0430	1.2130
2010	1.0400	0.1600	1.2000	2017	1.1700	0.0430	1.2130
2011	1.0400	0.1650	1.2050				

