



THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FL

Continuing Disclosure Report

For the Fiscal Year Ended June 30, 2019

Table of Contents

GENERAL INFORMATION.....2

 The School Board and District.....2

 General Statistical Data.....2

 Summary of General Fund Operations3

 Summary of Capital Projects Funds4

 Indebtedness5

 State and District Retirement Programs.....6

 Other Post Employment Benefit Programs7

 Millage Rates.....8

 Property Tax Levies and Collections8

 Estimated Actual and Taxable Value of Property.....9

DISTRICT REVENUES9

 Local Revenue Sources9

 State Revenue Sources11

 Special Revenue Sources.....12

ADDITIONAL INFORMATION - SALES TAX REVENUE BONDS.....12

 One Cent Sales Surtax12

GENERAL INFORMATION

The School Board and District

The School Board is a public body corporate and politic existing under the laws of the State of Florida and is the governing body of the School District of Osceola County, Florida (the “District”). The School Board consists of five members elected from single-member districts for overlapping four-year terms. The District is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001, Part II, Florida Statutes, as amended. The District covers the same geographic area as Osceola County, Florida (the “County”). Management of the District is independent of the County government and the other local governments within the County. The County Tax Collector collects ad valorem taxes for the District, but exercises no control over the disposition of the District’s tax receipts.

General Statistical Data

The following table presents a summary of certain general statistical data regarding the School Board.

**Summary of Statistical Data
Five-Year History**

<u>School Year</u>	<u>Number of Schools</u>	<u>Number of Classroom Instructors*</u>	<u>FTE Enrollment</u>	<u>Average Expenditure per FTE Student</u>
2018/19	74	4,087	67,724	8,758
2017/18	69	3,730	66,010	8,284
2016/17	73	3,711	62,561	8,274
2015/16	67	3,700	61,141	8,214
2014/15	67	3,638	58,569	8,158

* Does not include charter schools teachers.

Source: The School District of Osceola County, FL.

Summary of General Fund Operations

School District of Osceola County, Florida Summary of General Fund Operations

	Audited			Budget
	FY 2017	FY 2018	FY 2019	FY 2020
Revenues				
Federal	\$ 2,635,333	\$ 2,611,451	\$ 9,761,482	\$ 2,980,933
State Sources	317,850,511	345,257,967	360,715,598	381,120,390
Local Sources	131,241,484	139,005,783	149,143,655	153,297,216
Total Revenues	\$ 451,727,328	\$ 486,875,201	\$ 519,620,735	\$ 537,398,539
Expenditures				
Current - Education:				
Instruction	\$ 298,803,565	\$ 316,665,847	\$ 346,964,780	\$ 380,287,678
Pupil Personnel Services	21,944,670	23,324,869	25,996,487	28,370,895
Instructional Media Services	4,385,384	4,611,360	4,869,526	5,324,640
Instruction & Curr. Dev. Svcs.	10,628,126	12,281,549	13,929,155	15,218,383
Instructional Staff Training	5,275,531	5,377,475	6,070,574	6,625,923
Instruction Related Technology	4,042,397	4,381,216	4,531,956	4,945,700
Board of Education	1,565,672	1,236,867	1,200,520	1,309,688
General Administration	1,461,830	1,540,578	1,722,794	1,890,133
School Administration	23,459,032	24,176,101	24,877,607	25,475,066
Facilities Services	4,238,398	4,851,947	5,116,182	-
Fiscal Services	1,925,667	2,140,615	2,216,960	2,428,968
Food Services	87,892	192,275	202,667	221,096
Central Services	7,060,646	7,298,519	7,937,966	8,669,692
Pupil Transportation Services	19,547,326	21,992,168	23,792,113	24,899,794
Operation of Plant	32,664,015	33,308,248	35,369,536	39,123,883
Maintenance of Plant	8,551,226	8,915,340	10,052,952	11,195,790
Administrative Tech. Services	4,225,549	4,737,337	5,515,364	6,061,529
Community Services	3,758,475	3,451,207	3,392,758	6,542,833
Fixed Capital Outlay:				
Facilities Acq. and Construction	27,942	3,250	207,862	5,692,138
Other Capital Outlay	1,342,496	1,044,935	809,172	-
Debt Service	243,576	243,575	-	-
Total Expenditures	\$ 455,239,415	\$ 481,775,278	\$ 524,776,931	\$ 574,283,829
Excess (Deficiency) of				
Revenues over Expenditures	\$ (3,512,087)	\$ 5,099,923	\$ (5,156,196)	\$ (36,885,290)
Other Financing Sources (Uses)				
Other Financing Sources (Uses)	\$ 4,410,731	\$ (4,063,513)	\$ 5,655,793	\$ 16,192,264
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 898,644	\$ 1,036,410	\$ 499,597	\$ (20,693,026)
Beginning Fund Balance	\$ 66,516,538	\$ 67,415,182	\$ 68,451,592	\$ 68,951,189
Ending Fund Balance	\$ 67,415,182	\$ 68,451,592	\$ 68,951,189	\$ 48,258,163

Source: Audited financial statements for the Fiscal Year ended June 30, 2017 and 2018 prepared by Moore Stephens Lovelace, P.A.; audited financial statements for fiscal years ended June 30, 2019 prepared by the State of Florida Auditor General's Office; Annual Budget for Fiscal Year Ending June 30, 2020 prepared by The School District of Osceola County, FL.

Summary of Capital Projects Funds

School District of Osceola County, Florida Summary of Revenues and Expenses - Capital Projects Funds

	Audited			Budget
	FY 2017	FY 2018	FY 2019	FY 2020
Revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State Sources	9,699,840	4,864,899	9,231,590	7,474,530
Local Sources	82,641,753	123,624,027	169,898,210	154,401,122
Total Revenues	\$ 92,341,593	\$ 128,488,926	\$ 179,129,800	\$ 161,875,652
Expenditures				
Current - Education:				
Facilities Services	8,108,182	11,681,618	16,095,939	
Fixed Capital Outlay:				
Facilities Acquisition and Construction	38,263,529	70,621,827	89,956,433	201,371,584
Charter School Local Capital Improvement		624,570		
Other Capital Outlay	1,519,437	6,591,265	11,239,267	
Debt Service	138,852	2,156	2,577	
Total Expenditures	\$ 48,030,000	\$ 89,521,436	\$ 117,294,216	\$ 201,371,584
Excess (Deficiency) of Revenues over Expenditures	\$ 44,311,593	\$ 38,967,490	\$ 61,835,584	\$ (39,495,932)
Other Financing Sources (Uses)	\$ 65,374,171	\$ (27,865,801)	\$ (45,493,962)	\$ (45,963,333)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 109,685,764	\$ 11,101,689	\$ 16,341,622	\$ (85,459,265)
Beginning Fund Balance	\$ 80,113,737	\$ 189,799,501	\$ 200,901,190	\$ 217,242,812
Ending Fund Balance	\$ 189,799,501	\$ 200,901,190	\$ 217,242,812	\$ 131,783,547

Source: Audited financial statements for the Fiscal Year ended June 30, 2017 and 2018 prepared by Moore Stephens Lovelace, P.A.; audited financial statements for fiscal years ended June 30, 2019 prepared by the State of Florida Auditor General's Office; Annual Budget for Fiscal Year Ending June 30, 2020 prepared by The School District of Osceola County, FL.

Indebtedness

School District of Osceola County, Florida
Summary of General Long-Term Debt
As of June 30, 2019

General Description	Outstanding Balance
Self-Supporting State Bonds ⁽¹⁾	
Series 2010A	365,000
Series 2011A	580,000
Series 2014A	1,123,000
Series 2014B	25,000
Series 2017A	831,000
Plus unamortized bond premium	375,112
District Revenue Bonds: ⁽²⁾	
Series 2015 Sales Tax Revenue Bonds	23,182,000
Series 2017 Sales Tax Revenue Bonds	14,105,000
Series 2017 Capital Outlay Sales Tax Revenue Bonds	81,530,000
Certificates of Participation	
Series 2009	7,615,000
Series 2010A	40,500,000
Series 2013	30,190,000
Series 2014	3,605,000
Series 2015	5,750,000
Series 2017	55,310,000
Plus unamortized bond premium	2,906,051
Education Facilities Benefit District Agreement Payable	8,649,566
Impact Fee Credit Vouchers	1,672,668
Net Pension Liability	260,518,783
Liability for Other Postemployment Benefits	21,051,912
Liability for Compensated Absences	44,365,526
Total	<u>604,250,618</u>

(1) Bonds are issued by the State Board of Education on behalf of the District, and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for such bonds.

(2) Payable from certain sales tax revenues of the District.

Source: The School District of Osceola County, FL.

State and District Retirement Programs

All regular employees of the District are covered by the Florida Retirement System (the "FRS"), a State-administered cost-sharing, multiple-employer, defined benefit retirement plan (the "Plan"). Included in the Plan is a Deferred Retirement Option Program (the "DROP"), a defined contribution pension plan titled the FRS Investment Plan (the "Investment Plan"), and a Retiree Health Insurance Subsidy (the "HIS") Program. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the normal retirement age. The Plan provides retirement, disability and death benefits and annual cost-of-living adjustments.

Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees in the Plan on or after July 1, 2011 vest at eight years of creditable service. The District's Plan recognized pension expense for the fiscal year ended June 30, 2019 totaled \$28,350,654. The District's contributions to the Plan totaled \$18,056,535 and the proportionate share of the net pension liability totaled \$171,410,402.

The DROP Program permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The HIS Plan provides a monthly benefit payment to assist retirees in paying their health insurance costs. For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive a HIS Plan benefit, the retiree must provide proof of health insurance coverage, which may include Medicare. The HIS Plan is funded by a required employer contributions, based on the gross compensation for all active FRS members. For the fiscal year ending June 30, 2019, the District's contributions to the HIS Plan totaled \$4,861,173, the recognized pension expense totaled \$6,409,243, and the net pension liability totaled \$989,108,381 for its proportionate share of the HIS Plan's net pension liability.

The Investment Plan is administered by the State of Florida SBA. Eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Essentially, the Investment Plan benefits depend on the performance of the investment funds. The Investment Plan is funded with the same employer and employee contribution rates as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. The District's Investment Plan pension expense totaled \$3,862,628 for the fiscal year ended June 30, 2019.

Additional information regarding the retirement programs is included in Note 11 of the District's 2018-19 Comprehensive Annual Financial Report.

Other Post Employment Benefit Programs

In addition to its contributions under the State's retirement plan and the District's Plan described above, the District provides other post-employment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy, by providing access to health insurance plans requiring the use of the single "blended" or "common" rate for both active and retired employees. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes.

As with all governmental entities providing similar plans, the District was required to comply with the Governmental Accounting Standards Board Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, ("GASB 75") effective for fiscal years beginning after June 15, 2017. The District implemented GASB 75 prospectively on July 1, 2017. Historically, the District accounted for its OPEB contributions on a pay-as-you-go basis. GASB 75 applies accounting methodology similar to that used for pension liabilities to OPEB and requires the recognition of the proportionate share of the net OPEB liability on the face of the financial statements.

In order to comply with GASB 75, the District retained Gabriel Roeder Smith & Company (the "Actuary"), to actuarially review the District's OPEB liability and provide the District with a written valuation. The valuation indicated that the District's total OPEB liability was \$21,051,912 as of June 30, 2018, the measurement date.

Additional information regarding the District's OPEB liability is included in Note 12 to the District's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2019.

Millage Rates

The following table contains historical millage rates for the School District for the fiscal years ended June 30, 2014 through June 30, 2019, and budgeted millage rates for the fiscal year ending June 30, 2020.

School District of Osceola County, Florida Historical and Projected Tax Millage and Levies (Tax per \$1,000 of assessment value)

	2014	2015	2016	2017	2018	2019	Budgeted 2020
State - Required Local Effort	5.261	5.104	5.009	4.643	4.501	4.161	3.984
Prior Period Adjustment	0.000	0.023	0.004	0.014	0.000	0.002	0.008
Local - Discretionary	0.748	0.748	0.748	0.748	0.748	0.748	0.748
Supplemental Discretionary	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subtotal Operating Millage	6.009	5.875	5.761	5.405	5.249	4.911	4.740
Capital Outlay	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Debt Service	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	7.509	7.375	7.261	6.905	6.749	6.411	6.240

Source: The School District of Osceola County, FL.

Property Tax Levies and Collections

The following table contains historical property tax levies and collections for the School District for the fiscal year ended June 30, 2010 through June 30, 2019.

School District of Osceola County, Florida Property Tax Levies and Collections

Fiscal Year	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	174,578,023	168,042,178	96.26%	845,047	168,887,225	96.74%
2011	148,427,619	141,992,906	95.66%	914,896	142,907,802	96.28%
2012	134,835,605	128,901,673	95.60%	555,818	129,457,491	96.01%
2013	128,129,837	123,305,931	96.24%	462,603	123,768,534	96.60%
2014	137,619,241	131,876,045	95.83%	550,115	132,426,160	96.23%
2015	144,752,427	139,488,248	96.36%	206,607	139,694,855	96.51%
2016	153,424,444	147,442,560	96.10%	164,884	147,607,444	96.21%
2017	155,326,218	149,783,923	96.43%	121,820	149,905,743	96.51%
2018	166,007,030	159,897,312	96.32%	237,430	160,134,742	96.46%
2019	175,782,158	170,009,659	96.72%	-	170,009,659	96.72%

Source: The School District of Osceola County, FL.

Estimated Actual and Assessed Value of Property

The following table shows the total estimated actual value and total assessed value for operating millage in each of the past ten years.

**Estimated Actual and Taxable Value of Property
Osceola County, Florida
(In Thousands)**

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Estimated Actual Value "EAV"</u>	<u>Total Assessed Value "AV"</u>	<u>Percentage of AV to EAV</u>
2008	2009	26,082,945	25,978,614	99.6%
2009	2010	21,357,629	21,507,132	100.7%
2010	2011	18,160,189	18,051,228	99.4%
2011	2012	17,361,495	16,649,673	95.9%
2012	2013	17,443,852	16,466,996	94.4%
2013	2014	18,243,369	17,075,794	93.6%
2014	2015	20,479,278	19,516,751	95.3%
2015	2016	23,082,185	21,004,789	91.0%
2016	2017	24,769,626	22,961,443	92.7%
2017	2018	27,489,657	25,372,954	92.3%

Source: The School District of Osceola County, FL

DISTRICT REVENUES

The School Board derives its revenues from certain State and local sources. The major categories of these revenue sources are briefly described under the following subheadings.

Local Revenue Sources

Local revenue for the support of school districts in the State is derived almost entirely from real and tangible personal property taxes. School districts in the State are permitted to levy ad valorem property taxes separately for (i) operational purposes, (ii) the payment of debt service, and (iii) capital outlays and maintenance of school facilities. The amount of each such levy is subject to various constitutional and statutory limitations. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

For operational purpose, the Florida Legislature annually places requirements on each school district to levy a millage rate that is defined by law to be the “district required local effort” for those school districts desiring to participate in the allocation of State funds available to school districts. In 2018-19 the District’s required local effort was 4.161 mills. School boards are also authorized to levy an additional "discretionary millage" for operations, not to exceed an amount established annually by the Legislature. In 2018-19, the discretionary millage for all school districts, including the District, was .748. Monies generated from the levy of the required local effort millage are not available to make Lease Payments on the Transaction Leases.

Budgeted revenues from ad valorem taxes are based on applying millage levies to ninety-six percent (96%) of the non-exempt assessed valuation of real and personal property. Historically, the local taxes have been received at less than one hundred percent (100%) of assessed valuation due to the discounts for early payment. The County

usually collects approximately ninety-six percent (96%) of the levied taxes.

Ad valorem tax receipts for operating purposes increased from \$159 million during the 2017-18 fiscal year to \$170 million during the 2018-19 fiscal year. The District has budgeted approximately \$140.7 million of ad valorem tax receipts for operating purposes for the 2019-20 Fiscal Year.

Commencing in calendar year 2000, the District began receiving a portion of a one cent infrastructure sales surtax (the “Sales Surtax”) that is levied by the County on all taxable sales of tangible personal property sold at retail within the County. Pursuant to an interlocal agreement with the County, the District received 10% of the Sales Surtax receipts during calendar years 2000 through and including 2005 and 25% of the Sales Surtax receipts during the calendar years 2006 through and including 2025 (the amounts to be received by the District, the “Sales Tax Revenues”). The District issued \$42,325,000 of its Sales Tax Revenue Bonds, Series 2001 (the “2001 Sales Tax Bonds”) in May 2001, and pledged proceeds of the Sales Surtax as security thereof. The District issued its Sales Tax Revenue Bonds, Series 2007A (the “2007A Sales Tax Bonds”) and Sales Tax Revenue Refunding Bonds, Series 2007B (the “2007B Sales Tax Bonds”) in the aggregate principal amount of \$79,835,000 (collectively, the “2007 Sales Tax Bonds”) in April 12, 2007. The proceeds of the 2007B Sales Tax Bonds, were used to refund a portion of the 2001 Sales Tax Bonds. During fiscal year 2015-16, the District issued its Sales Tax Revenue Bonds, Series 2015 (the “2015 Sales Tax Bonds”), in an aggregate principal amount of \$30,087,000, to refund a portion of the 2007A Sales Tax Bonds. The District issued its Sales Tax Revenue Bonds, Series 2017 (the “2017 Sales Tax Bonds”) in the aggregate principal amount of \$19,420,000, to refund a portion of the 2007B Sales Tax Bonds in June, 2017. The 2015 Sales Tax Bonds and the 2017 Sales Tax Bonds outstanding balance as of June 30, 2019 is \$37,287,000.

In November 2016, Osceola County voters approved by referendum the imposition of a one-half cent discretionary sales surtax, effective beginning January 1, 2017, and ending December 31, 2036. A resolution providing for the issuance of the Capital Outlay Sales Tax Revenue Bonds, Series 2017 bonds, was adopted by the Board on May 2, 2017, and pledging the one-half cent discretionary sales surtax for the principal and interest payments of the bonds. In May, 2017, the District issued its Capital Outlay Sales Tax Bonds (the “2017 CO Sales Tax Bonds”) in the amount of \$86,250,000. The proceeds of the bonds will be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses, land acquisition, land improvement, design and engineering costs, retrofitting and providing for technology implementation, including hardware and software, for the various sites within the District. The 2017 CO Sales Tax Bonds outstanding principal balance as of June 30, 2019 is \$81,530,000.

Sales Surtax and CO Sales Surtax combined revenues for Fiscal Year 2018-19 were \$48 million and are budgeted to be approximately \$49 million for Fiscal Year 2019-20.

The District also receives educational facilities impact fees that are collected for all new residential construction in the County. The District received \$40,505,946 in fiscal year 2017-18, \$74,409,260 in fiscal year 2017-18, and estimates receiving approximately \$50 million in fiscal year 2019-20. Effective August 1, 2018, Osceola County adjusted its educational system impact fees to:

<u>Residential Category</u>	<u>Unit</u>	<u>Countywide</u>	<u>Vacation Villas</u>	<u>Short-Term Rentals</u>
Single Family Detached	du	\$ 11,823	N/A	\$ 6,264
Townhouse	du	7,591	N/A	3,951
Multi-Family	du	11,362	N/A	7,033
Condominium	du	4,243	N/A	2,325
Mobile Home	du	7,672	N/A	7,672

State Revenue Sources

Capital Outlay. State revenues represented \$9.2 million or approximately 6.67% of the District's total capital outlay revenues for fiscal year 2018-19. Budgeted State capital outlay revenues available to the District are expected to be \$7.4 million or approximately 4.62% of the District's budgeted total capital outlay revenues in the adopted budget for fiscal year 2019-20. Many of the capital outlay revenues budgeted to be received in fiscal year 2019-20 are not necessarily recurring items.

The Public Education Capital Outlay Program ("PECO") program provides the District with funds for remodeling, renovation, maintenance, repairs and site improvements of educational facilities. Allocation of PECO funds are determined as provided by State law, based upon a statutory formula that considers building age and value. PECO funds are to be used for projects that will expand or upgrade current educational plants to prolong the useful life of the plant. At least one-tenth of the annual allocation is to be spent to correct unsafe, unhealthy or unsanitary conditions in educational facilities. The State also established, as part of the PECO program, a separate account known as "Special Facility Construction Account" to provide funds to districts for urgent construction needs, for which the district cannot reasonably anticipate sufficient resources within the period of the next three years. The Commissioner of Education administers the PECO program and allocates or reallocates funds as authorized by law. Under PECO, the District received \$703,425 for fiscal year 2018-19, and does not expect to receive any PECO funds for fiscal year 2019-20.

The District receives motor vehicle license revenues, also known as capital outlay and debt service ("CO&DS") funds. The annual allocation of CO&DS funds is determined by the number of instruction units for each school district. CO&DS funds may be used for capital outlay projects included on a school district's Project Priority List approved by the State Board of Education. CO&DS funds can be used to make the lease purchase payments of facilities included in the project priority list. None of the facilities currently subject to the Master Lease Agreement are on the project priority list. In fiscal year 2018-19, the District received approximately \$1,883,722 in State bond proceeds with respect to such CO&DS funds. The District is budgeted to receive \$1,000,000 in CO&DS funds in Fiscal Year 2019-20.

Under the Act, the District may be entitled to receive other State revenues pursuant to other programs if the District achieves certain standards relating to its capital outlay efforts. Some of such revenues may be used to make lease purchase payments. It is not possible at this time to determine or estimate the amount of such State revenues, if any, that the District may receive in the future.

Operating Revenue. The three primary sources of educational funding from the State are (i) basic Florida Educational Finance Program ("FEFP") receipts, (ii) FEFP categorical program receipts, and (iii) certain other specified revenue sources.

The major portion of State support is distributed under the provisions of the FEFP, which was enacted by the Florida Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student ("FTE") basis using a formula that takes into account varying program cost factors and district cost differentials. The program cost factors which are used to determine the level of each school district's FEFP funding are determined by the Florida Legislature. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in variables comprising the weighing formula. In addition, the level of State funding is adjusted during each year to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in the County. General Fund receipts from FEFP were \$236.5 million for the 2016-17 fiscal year, \$259.2 million for the 2017-18 fiscal year, and \$273.4 million for the 2018-19 fiscal year. The district has budgeted approximately \$294.8 million of FEFP General Fund receipts for the 2019-20 fiscal year.

FEFP categorical program receipts are lump sum appropriations from the State intended to supplement local school district revenues to enhance the delivery of educational and support services by each district. Among the

larger categorical programs are the programs for class size reduction, supplemental academic instruction, school bus transportation and instructional materials. Allocations for these categorical appropriations are based on funding formula and discretionary Florida Department of Education grants. The majority of the funds available require actual appropriation by the Board for the purposes for which they were provided. Total State categorical aid was \$109 million for the 2016-17 fiscal year, \$115 million for the 2017-18 fiscal year, and \$119 million for the 2018-19 fiscal year. Total State categorical aid is budgeted at \$122.2 million for the 2019-20 fiscal year.

The District also receives State educational funding from a variety of miscellaneous State programs. These sources include the Florida Lottery, pari-mutuel tax funds (“race track funds”), state forest taxes, and mobile home licenses funds.

Special Revenue Sources

The District also receives certain local, state and federal monies, substantially all of which are restricted for specific programs. Programs funded with these special revenue sources include school food service operations and programs financed through the Educational Handicapped Act, now codified as the Individuals with Disabilities Education Act, the Education Consolidation and Improvement Act and other federally financed programs.

ADDITIONAL INFORMATION - SALES TAX REVENUE BONDS

One Cent Sales Surtax

The table below sets forth the total amount of the One Cent Infrastructure Sales Surtax distributed during the last five fiscal years of the School Board.

Historical One Cent Infrastructure Sales Surtax Distributions

Fiscal Year Ending June 30	Sales Tax Revenues Distributions to All Agencies ^(1,3)	Sales Tax Revenues Distributions to Issuer ^(2,3,4)
2015	48,452,754	12,129,743
2016	52,196,502	12,771,275
2017	64,013,135	13,860,037
2018	98,345,850	45,404,305
2019	95,132,032	47,849,163

Source: State of Florida, Department of Revenue
and The School District of Osceola County, FL

- (1) Represents the aggregate amount distributed to the Issuer, the County and the Cities of Kissimmee and St. Cloud.
- (2) In each of the calendar years 2001 through 2005, the Issuer received 10% of the One Cent Sales Surtax. In each of the calendar years 2006 through 2025, the Issuer shall receive 25% of the One Cent Sales Surtax.
- (3) Amounts are net of administrative charges of the State of Florida.
- (4) Amounts reported by the District vary slightly from State due to estimates in accruing June receipts.