

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

INTRODUCTION

As recommended by the Government Finance Officers Association (GFOA), the International City/County Management Association (ICMA) and good management practices, the Brevard County Budget Office monitors and uses several economic, demographic and financial indicators in the budget development and financial monitoring process. In most instances, there is either a direct or an indirect correlation between the following economic and demographic information and the County's budget.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Some of the indicators monitored on a periodic basis by the Budget Office are viewed as indications of community needs. These indicators have an impact upon the budget development process. Community needs indicators include Population, Unemployment, Personal Income per Capita, Taxable Sales, Consumer Price Index, and Taxable Property Values. The historical information and discussion concerning the meaning of each indicator can be found in the accompanying charts.

Population

Brevard County's rate of growth during the 2000's was 14.1% as the population grew from 476,230 in 2000 to 543,376 in 2010. It is currently the tenth most populous county in the State, with an estimated population of 596,849 in 2018. According to the University of Central Florida's Institute for Economic Competitiveness, Brevard County's rate of population growth should slightly exceed the State's growth rate over the next few years.

Unemployment

Although the number of retired citizens is increasing in Brevard County, a majority of its citizens participate in the work force. Unemployment rates, therefore, often have an effect upon Counties' financial decision-making processes. Unemployment in the Brevard County area decreased to 3.5% in 2018, which represents a 16.67% decrease from the prior year.

Personal Income

Counties generally monitor Personal Income per capita as a means of measuring residents' ability to fund the services provided by Counties. From 2008 to 2018, personal income per capita in Brevard County grew 32.3% from \$37,686 to \$49,861. During that same period, the Consumer Price Index grew 16.63%. The difference of these growth rates implies that the residents' ability to pay for services has outpaced inflation.

Taxable Sales

Taxable sales of products and services in Brevard County are a key indicator of economic health of the County. Also, as part of the County's General revenues, the County receives one-half of one-cent of Florida's Sales Used Tax; therefore, this indicator has a direct impact upon the County's General Fund budget. Collections in Fiscal Year 2010-2011 totaled \$19.4 million and estimated to collect \$30.8 million in Fiscal Year 2019-2020. This reflects an improvement of \$10 million during this period.

Consumer Price Index

The Consumer Price Index (CPI) is used by the County as a standard against which the price increases in the goods and services purchased by the County are measured. Additionally, the CPI is used as a guideline in determining levels of pay raises for County employees. It is frequently used as part of the measure of increase in certain revenue and expenditure levels when financial forecasts of county activity are made.

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The National Consumer Price Index-U (All Urban Consumers - U. S. City Average) for September 30, 2008 was 218.8; at September 30, 2018 this index was 252.439, a 15.37% increase for the period analyzed.

Taxable Property Values

Taxable property values and the rate of new construction activity are key indicators monitored by the Budget Office. Property tax revenues are the single most significant source of revenue for the general government activities of the County. Changes in property values and the resulting changes in tax rates are the primary considerations in the budget development process. Property values began to recover in 2014, due to the recovery of the overall economy.

Other Measurements

Several measurements of local activity and a few national indicators are also monitored by the Budget Office. Local airport activity, Port Canaveral activity, and NASA tour attendance are taken as indicators of local economic health. On a national basis, the year-end Dow Jones Industrial Average (DJIA) is watched. Mortgage financing and refinancing is measured on a statewide and local basis. There had been a correlation between the year-end DJIA and mortgage activity and the level of State Shared Revenue received by the County. However, this correlation has been lost with the recent legislative changes in the elements of the State Shared Revenue format.

FINANCIAL INDICATORS

Revenue and Expenditure Indicators

The Budget Office examines a number of financial indicators related to the financial condition of the County as reported in its Comprehensive Annual Financial Report annually. These indicators include Revenues per Capita, General-Countywide Property Tax Revenues, Intergovernmental Revenues, Expenditures per Capita, Fund Balances, Number of Full-Time Employees, and Long-Term Debt. These "indicators" are presented in the accompanying charts. Most of the indicators also present per capita information and adjustments for inflation so that the reader may see the appropriate trends adjusted for inflation's effect.

Fund Balance

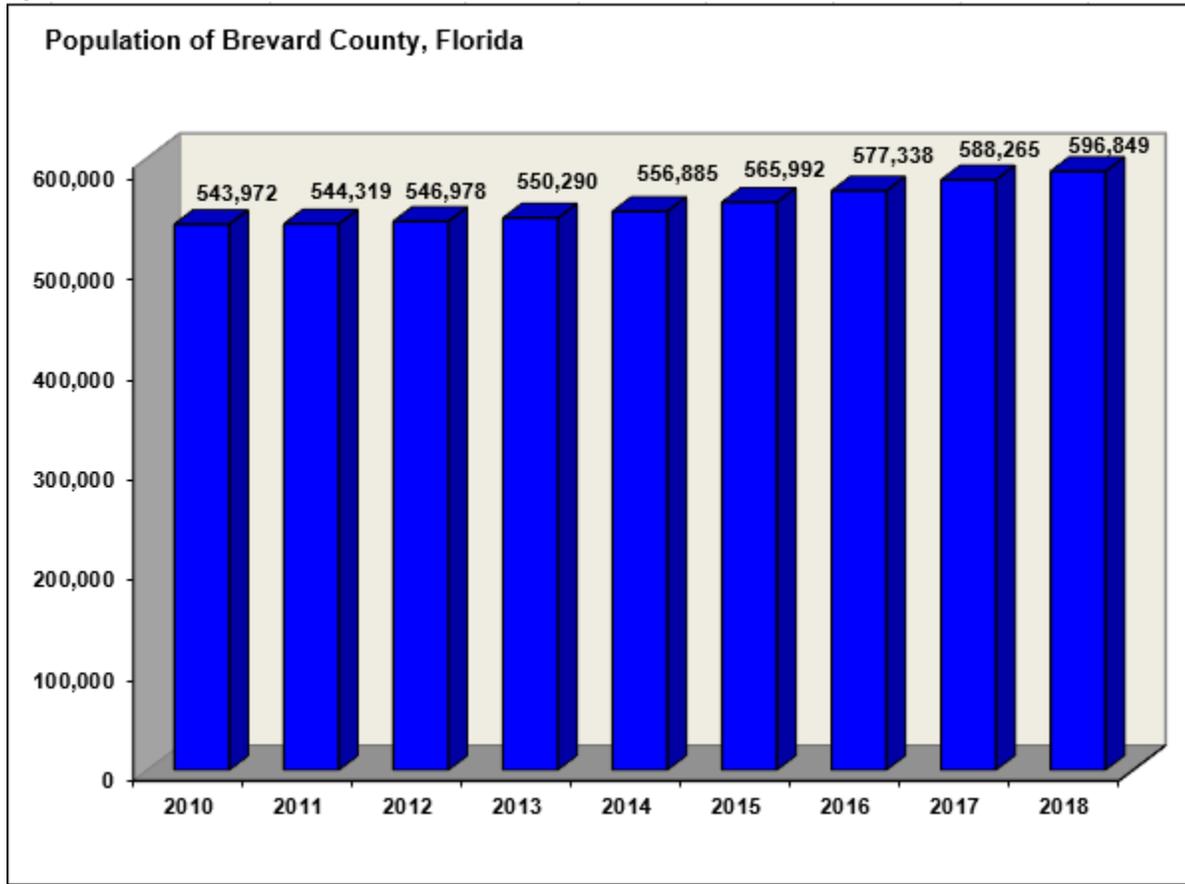
The County's Fund Balance is used to provide governmental agencies with funds necessary to meet their cash flow requirements at the beginning of each fiscal year.

The County's Fund Balance also includes funds which have been brought forward from prior year capital projects, as well as funds retained because of the County's debt reserve requirements.

The General Fund Balance at September 30, 2018 was \$46 million or 18.05% of General Fund operating revenues. The Government Finance Officers' Association (GFOA) recommends that governments maintain unreserved fund balance in the General Fund of no less than five to 15 percent of General Fund operating revenues. While rating agencies and creditors have provided minimum guidelines for fund balance for Florida governments, a variety of factors must be considered when evaluating the adequacy of fund balance in the General Fund. Some of these considerations are: the timing of revenue collections, transfers to Charter Officers, the limited ability to increase property taxes, and investment earnings of Fund Balance.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 1



[Go to Table 2](#)

Description:

Changes in population can directly affect County revenues and the cost of services provided. With proper planning, increasing population is generally considered positive. A population decrease may appear, at first glance, to relieve the pressure for governmental expenditures. However, a local government, faced with a population decline, is rarely capable of reducing expenditures proportionally to the population loss. Many costs, such as debt service and governmental mandates cannot be reduced in the short term. Also, the reduction is often composed of middle and upper-income households with the remaining base likely to be the poor and aged, who depend the most on government services. Ultimately, the biggest challenge would be reacting to a rapid population change, in either direction.

Warning Trend:

Rapid change in population

Formula:

Population

Source:

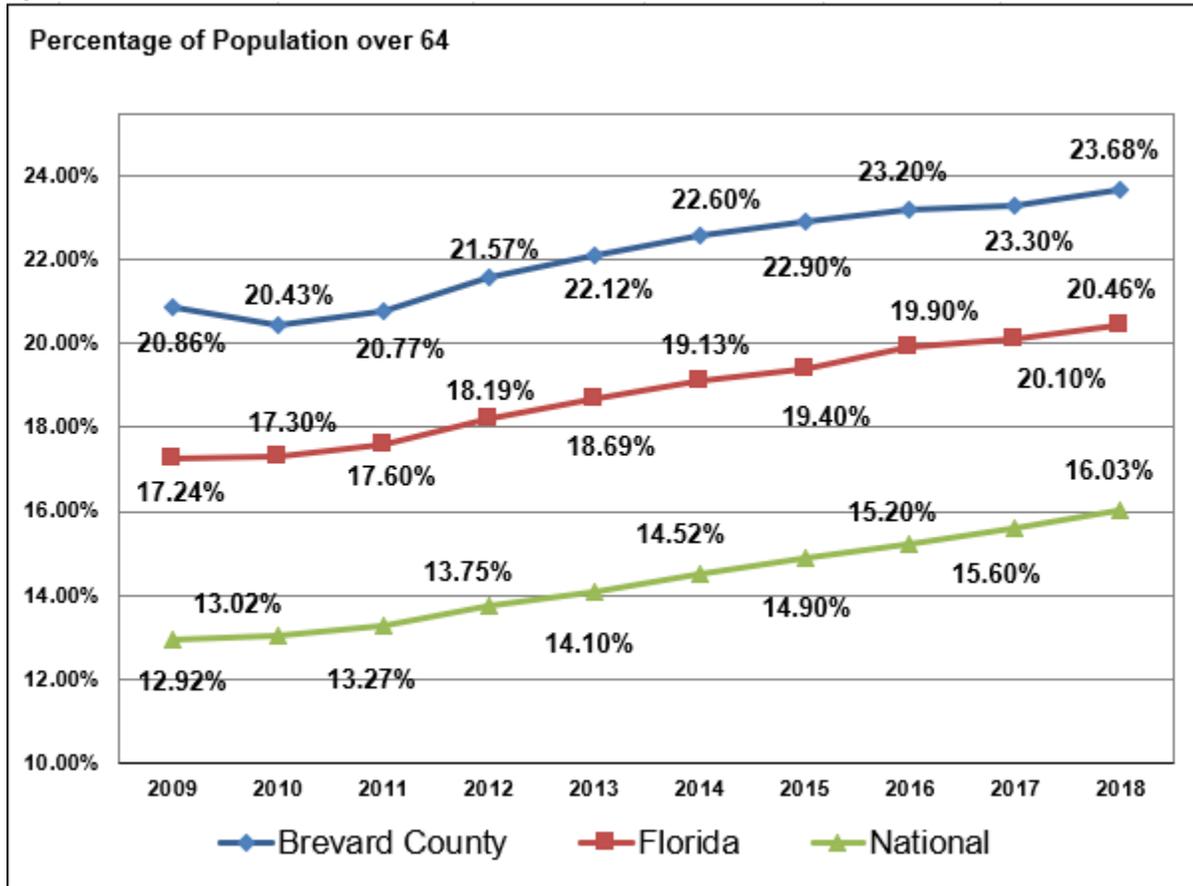
United States Census Bureau

Analysis:

There have been no dramatic changes in Brevard County's population since 2010. The total increase this period was 52,877, which represents a 9.72% overall increase.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 2



[Go to Table 3](#)

Description:

The percentage of individuals living in the community who are over 64 is a measure of the community's needs. This group typically needs more services than the average working individual. Comparisons to the State of Florida and the Nation, as a whole, may indicate that Brevard County spends more on a pro rata basis on public services for older citizens than either the state or the federal governments.

Warning Trend:

Increasing percentage of population over 64

Formula:

Population over 64/Population

Source:

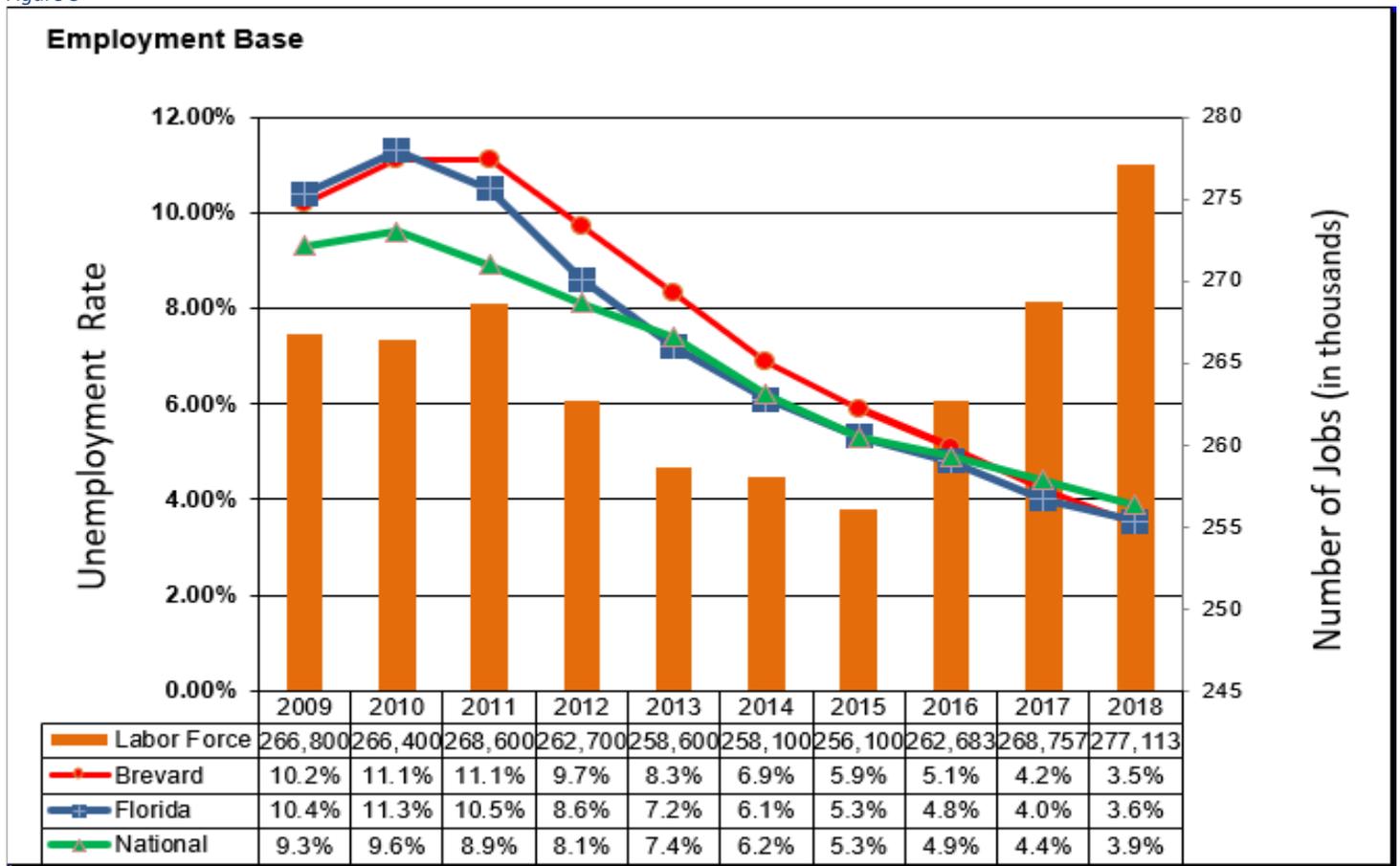
United States Census Bureau

Analysis:

The warning trend for this indicator has been observed as the percentage of Brevard County's population that is over 64 consistently exceeds the percentage at the State and National levels. Since 2009, Brevard's population has increased 11.28% while during the same period, the over 64 population has increased by 26.33%. A contributing factor to higher over 64 population is the location of Patrick Air Force Base along the east coast of Brevard County which has been attractive to retired military families.

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Figure 3



[Go to Table 4](#)

Description:

The unemployment rate and number of jobs in the community are considered together because they are closely related and are referred to as the employment base. A growing, diverse, employment base may provide a cushion against short-term fluctuations or downturns in individual business sectors. A decline in the base, measured by the unemployment rate, can indicate the early signs of an overall decline in economic activity and a decline in government revenues as well.

Warning Trend:

Increasing rate of local unemployment and/or a decline in the labor force.

Formula:

Brevard County, State of Florida and National unemployment rates and the number of jobs within a community.

Source:

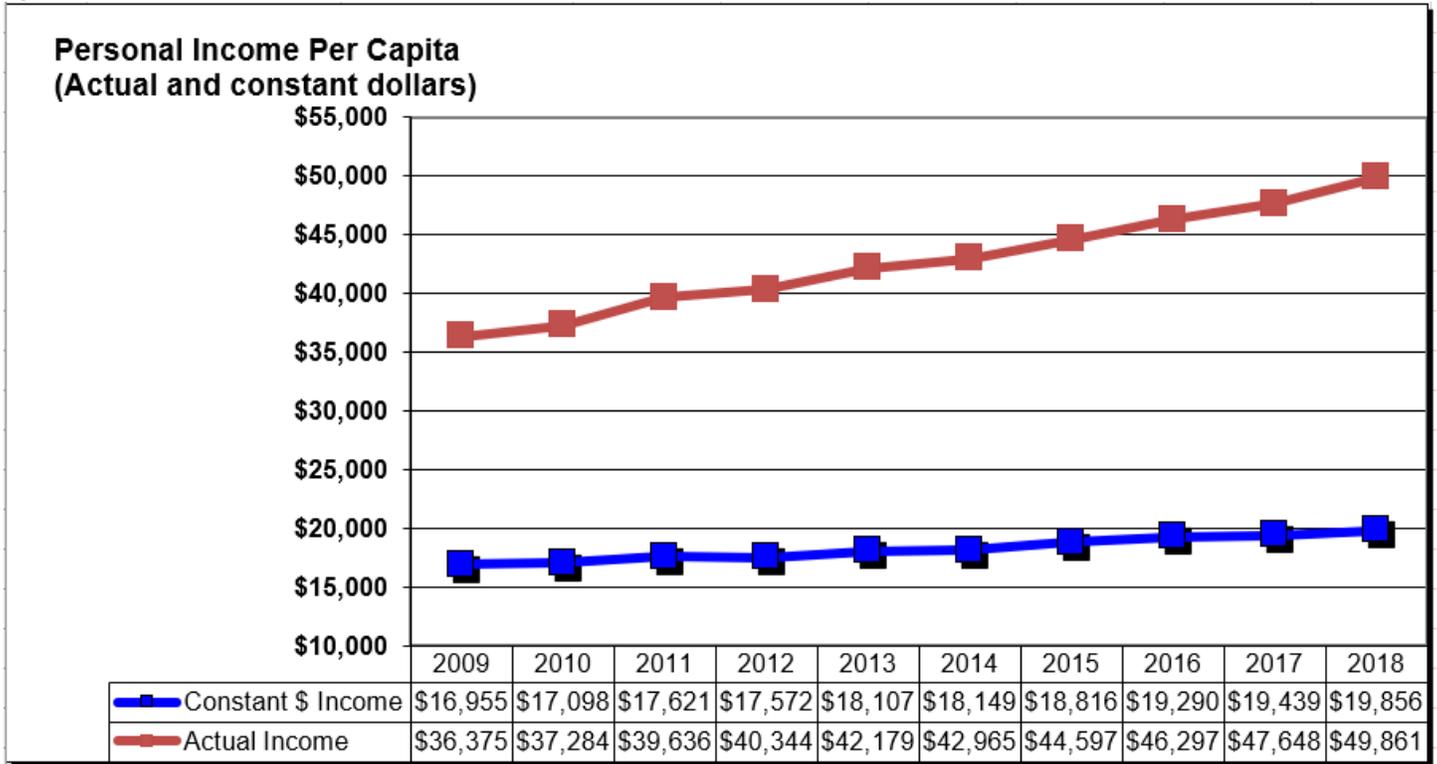
Institute for Economic Competitiveness, College of Business Administration, University of Central Florida
United States Bureau of Labor Statistics.

Analysis:

Since 2012, the National, State and Brevard County unemployment rates have declined for six consecutive years. Brevard County unemployment rate in 2018 continued to decline, even though State and National rates are slightly higher.

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Figure 4



[Go to Table 5](#)

Description:

Credit rating firms use per capita income as an important measure of a local government's ability to satisfy its financial obligations. Personal income per capita is one measure of a community's ability to pay taxes. Generally, the higher the per capita income, the more property tax and sales tax the County can generate. If income is evenly distributed, higher per capita income may mean a lower dependency on government services. A decline in per capita income causes a drop-in consumer purchasing power and can provide advance notice that businesses, particularly in the retail sector, may result in a decline that may ripple through the rest of the local economy.

Warning Trend:

Decline in the level, or growth rate, of personal income per capita (constant dollars*)

Formula:

Personal income (actual dollars or constant dollars*)/Population

Source:

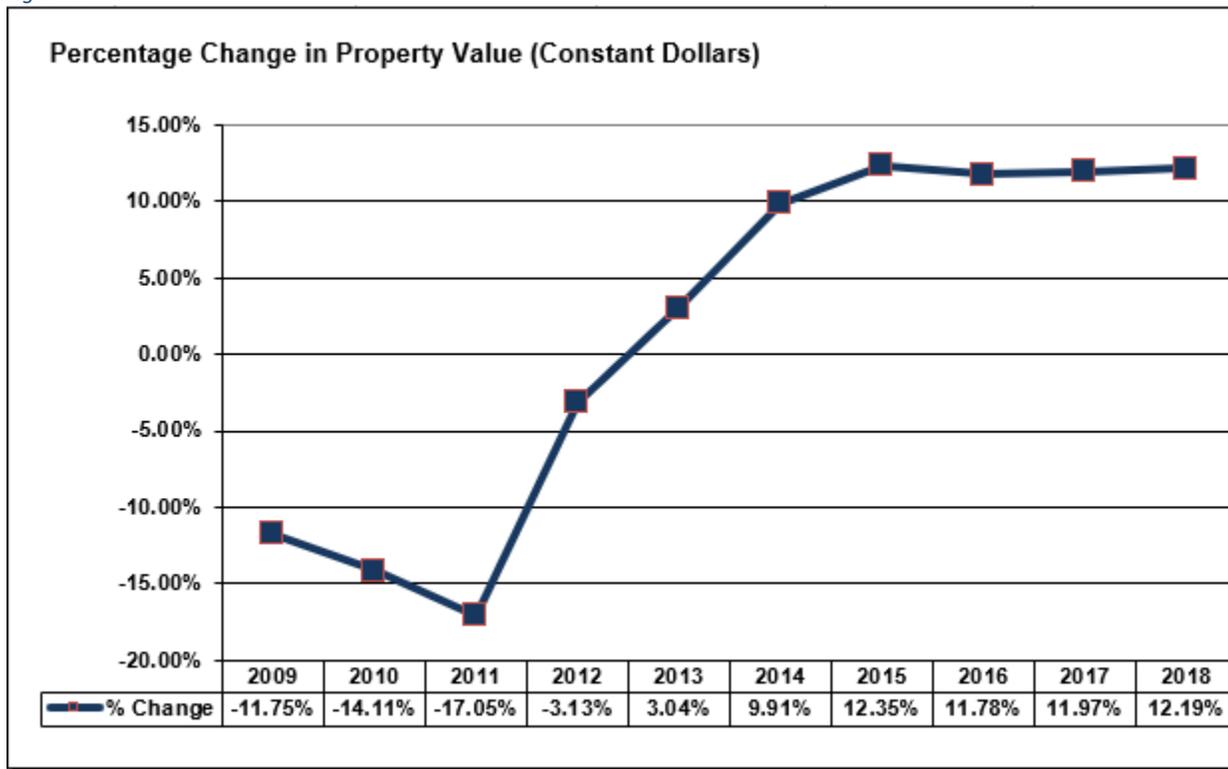
Institute for Economic Competitiveness, College of Business Administration, University of Central Florida

Analysis:

Brevard County's Personal Income per Capita (constant dollars) has experienced continual growth since 2010 and has experienced a 5.2% increase from 2015 to 2018.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 5



[Go to Table 6](#)

Description:

Changes in property value are an important indicator for Brevard County because countywide general revenue property taxes account for approximately 65% of the County's General Fund operating revenues. As a result of this reliance on general revenue property taxes, the effects of declining property values are significant for the County.

Warning Trend:

Declining growth, or drop, in the assessed value of County property (constant dollars*)

Formula:

Change in property value (constant dollars)/Property value in prior year (constant dollars*)

Source:

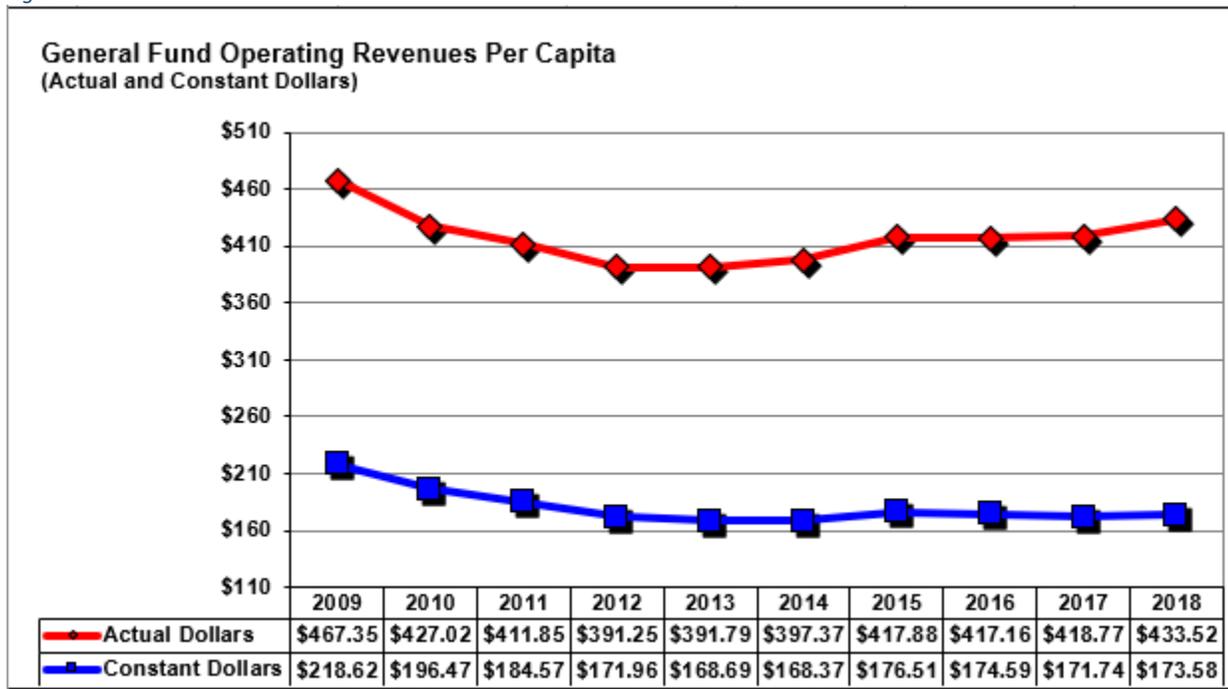
United States Bureau of Labor Statistics (CPI)
 Brevard County Property Appraiser (Property Values)

Analysis:

In 2013 marked the first time since 2007 that Brevard County's assessed property values increased in constant dollars. This trend has continued through 2018.

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Figure 6



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Description:

Per capita revenue depicts changes in the County's revenue relative to changes in the population size. As population increases, it might be expected that revenues and the need for services would increase proportionately and, therefore, that the level of per capita revenues would remain at least stable in constant dollar terms. If the per capita revenues are decreasing, the County may be unable to maintain existing service levels unless it were able to develop new revenue sources or find other ways to provide services.

Warning Trend:

Decreasing net operating revenues per capita (constant dollars*)

Formula:

Net operating revenues (current dollars or constant dollars*)/Population

Source:

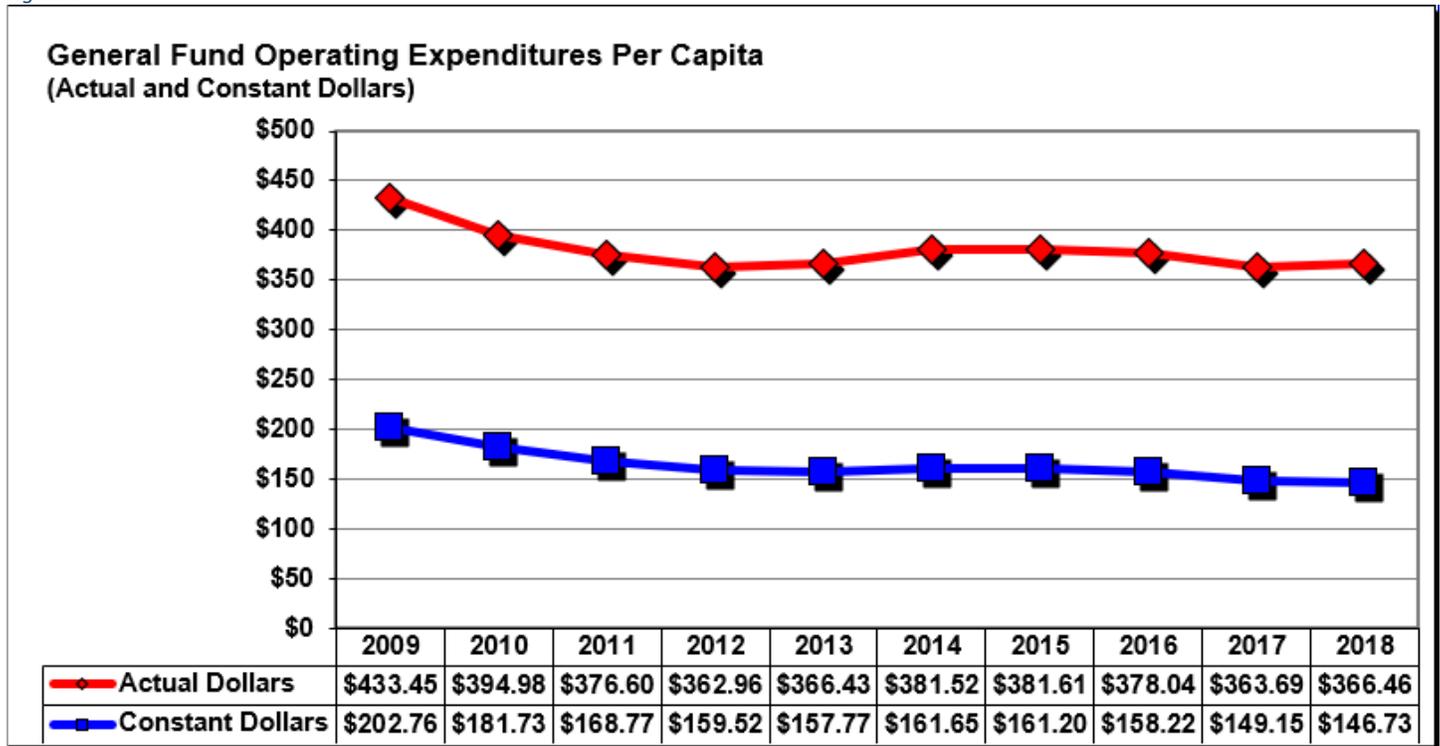
United States Bureau of Labor Statistics (CPI)
 Brevard County Comprehensive Annual Financial Report (Operating revenues)
 United States Census Bureau (Population)

Analysis:

This indicator is being watched. The General Fund Operating Revenue per capita peaked (in constant dollars) in 2007, there has been a steady decline to a low of \$168.37 in 2014. The revenue per capita is down 20% from 2009, indicating that the County has difficulty providing the same level of services as the population has increased.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 7



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Description:

Per capita expenditures depict changes in the County's expenditures relative to changes in the population size. Increasing per capita expenditures may indicate that the cost of providing services is outstripping the County's ability to pay, especially if spending is increasing faster than the County's tax base. If the increase is greater than would be expected from continued inflation and/or the addition of new services, it may be an indicator of declining productivity.

Warning Trend:

Increasing net operating expenditures per capita (constant dollars*)

Formula:

Net operating expenditures (actual dollars or constant dollars*)/Population

Source:

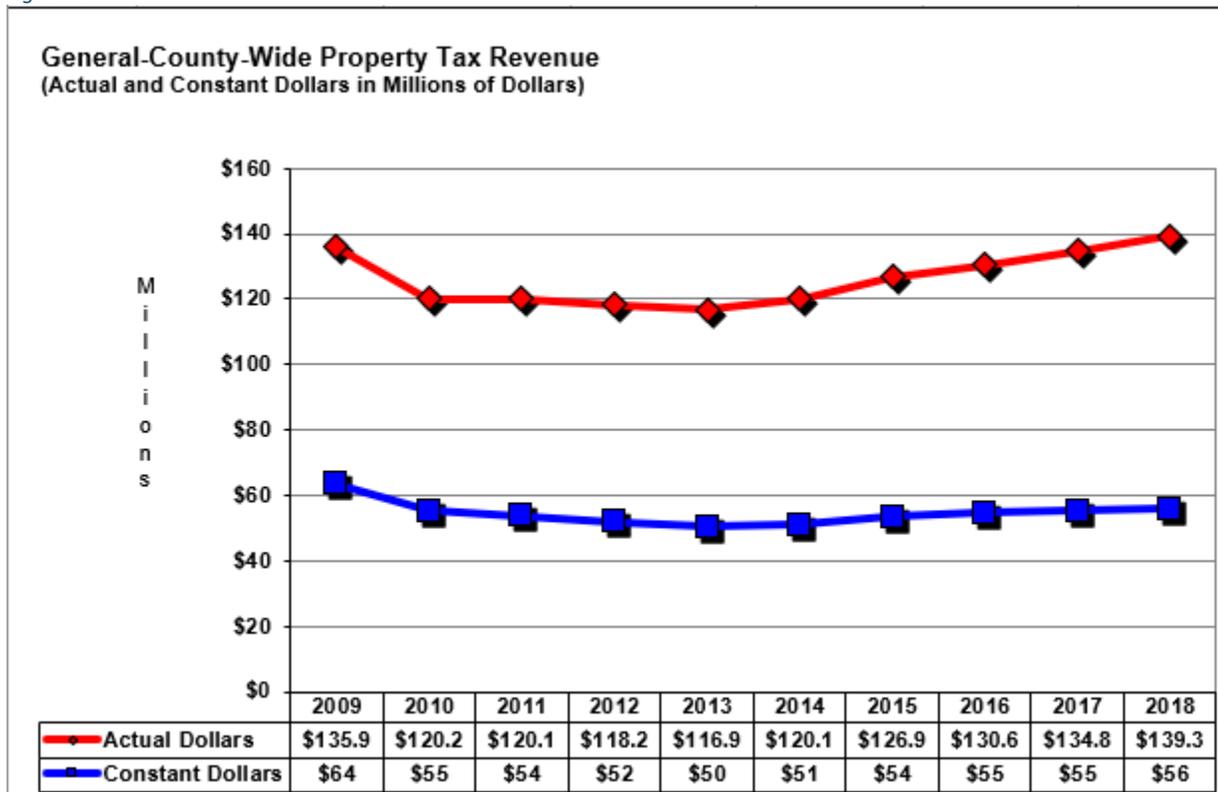
United States Bureau of Labor Statistics (CPI)
 Brevard County Comprehensive Annual Financial Report (Operating expenditures)
 United States Census Bureau (Population)

Analysis:

Although the Expenditures per Capita (in constant dollars) increased from 2013 to 2014, there has been a steady decline since 2009. The 2018 Expenditures per Capita in constant dollar represent a 28% decrease from 2009. While the actual dollar Expenditure per Capita have increased slightly between 2017 and 2018, it has experienced an overall decrease since 2009. This decrease is primarily associated with reduced general government expenditures.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 8



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Description:

General-County-Wide Property Tax Revenues, include both current and prior year, are considered separately from other revenue sources because of the County's reliance on this revenue source. Approximately 65% of the General Fund's operating revenues are derived from the General-County-Wide Property Tax Revenue. A decline or a diminished growth rate in taxes may be linked to a number of sources such as an overall decline in property values, a decline in the local or nation economic health, the transfer of taxable property to exempt organizations, etc.

Warning Trend:

Decline in property tax revenue (constant dollars*)

Formula:

Property tax revenue (actual and constant dollars*)

Source:

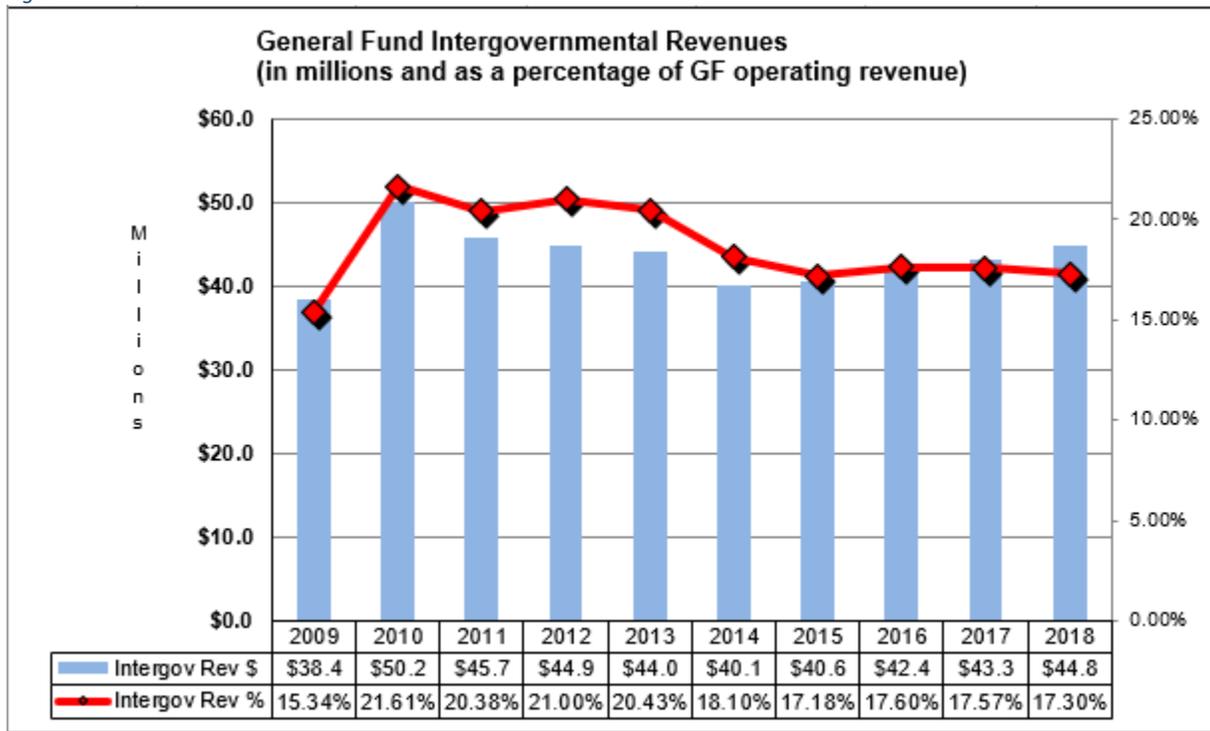
United States Bureau of Labor Statistics (CPI)
Brevard County Comprehensive Annual Financial Report

Analysis:

General-County-Wide Property Tax Revenue (in constant dollars) has indicated a warning trend for the past several years, as constant dollar property taxes decreased 25% between 2008 and 2013. A shift occurred in 2014 as constant dollar revenue increased by nearly 10% over a three-year period. There was a slight increase from 2017 to 2018 of 1.8%.

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Figure 9



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Description:

Intergovernmental operating revenues are received from other governmental entities. An overdependence on these sources may have a negative impact on the County when these other entities struggle with their own budget issues and as a result reduce or eliminate payments to local governments. The reduction of intergovernmental funds may leave the County with the dilemma of cutting programs or funding them with general fund revenues.

Warning Trend:

Changing amount of intergovernmental operating revenues as a percentage of gross operating revenue

Formula:

Intergovernmental operating revenues/Gross operating revenue

Source:

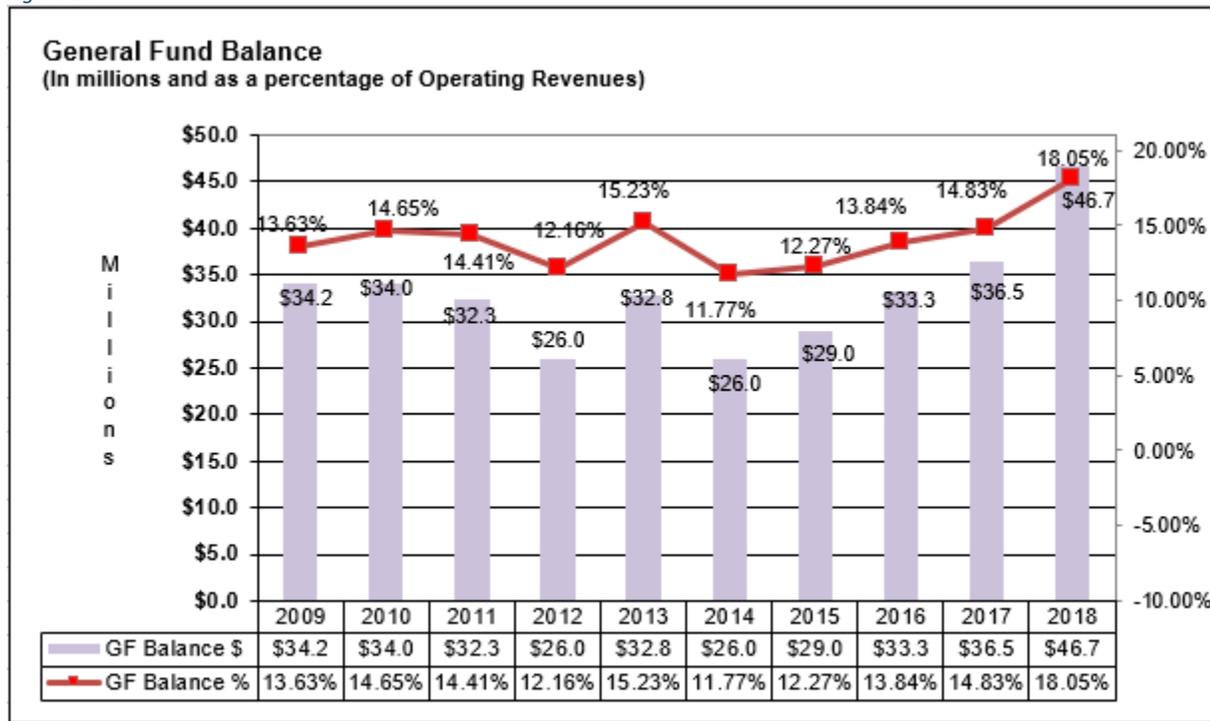
Brevard County Comprehensive Annual Financial Report (Operating revenues)

Analysis:

During the periods analyzed, a warning trend was not evident as Intergovernmental Revenue as a percent of gross operating revenues for the General Fund has decreased overall since 2010, and has remained relatively flat since 2015.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 10



[Go to Table 11](#)

Description:

Fund Balances are often thought of as reserves, although "fund balance" on a government's annual report is not always synonymous with "available for appropriations." The size of the County's General Fund Assigned and Unassigned fund balances can affect its ability to withstand financial emergencies that may result from natural disasters, revenue shortfalls or unanticipated maintenance costs. These balances may also affect the County's ability to manage cash flows prior to receipt of Property Taxes and to accumulate funds for capital purchases without having to borrow.

Warning Trend:

Declining unreserved funds balances as a percentage of net operating revenues

Formula:

Unreserved fund balances/Net operating revenues

Source:

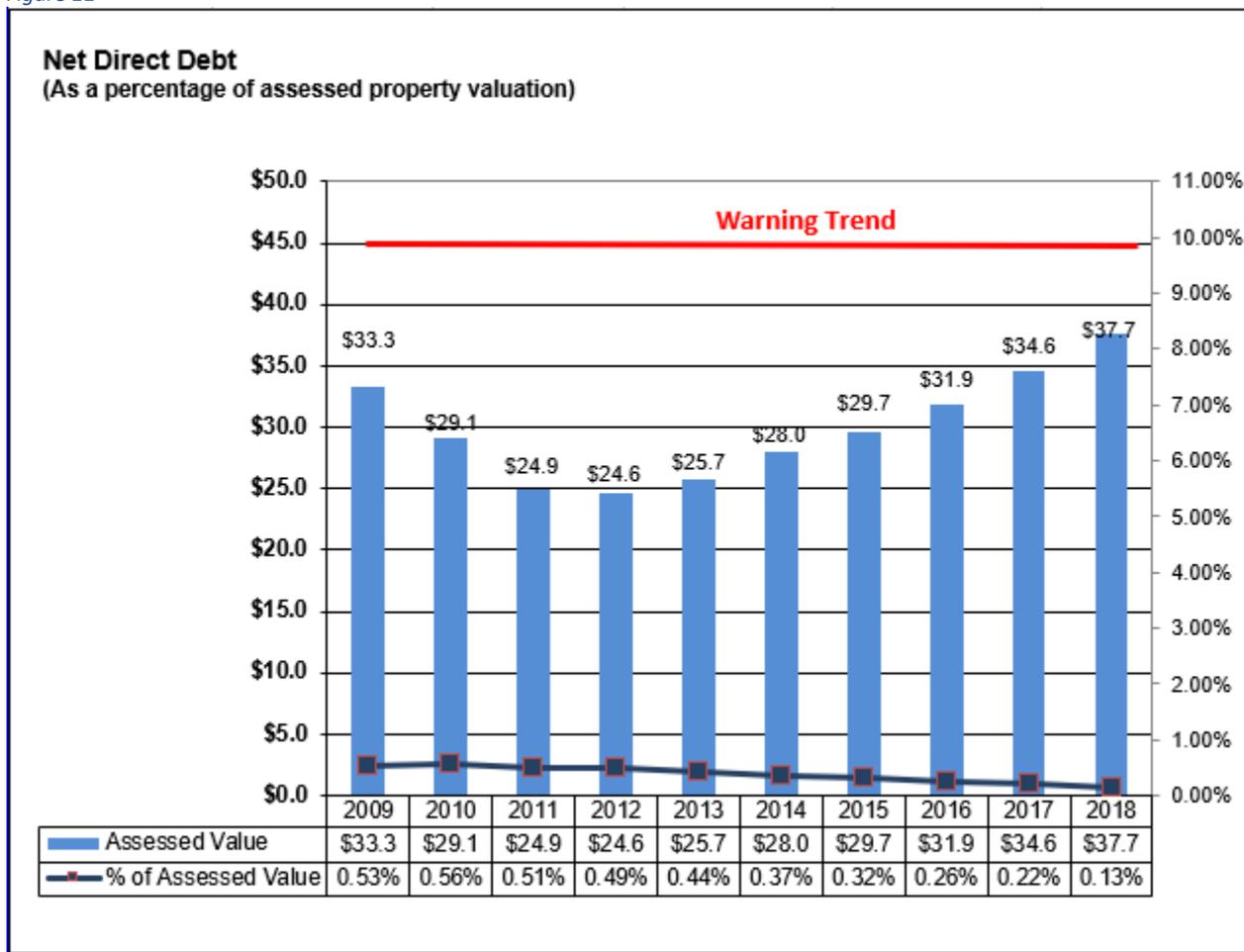
Brevard County Comprehensive Annual Financial Report

Analysis:

Beginning with FY 2011 Government Accounting Standards reporting requirements have changed and previous classifications of Reserved and Unreserved Fund Balances have been replaced with more finite classifications of Non-spendable, Restricted, Committed, Assigned and Unassigned. For purposes of this analysis, the total of Assigned and Unassigned has been deemed to be the equivalent of Unreserved. The Government Finance Officers' Association (GFOA) had recommended that governments should maintain an Unreserved Fund Balance of between 5% and 15% of General Fund operating revenues. Despite recent fluctuations, the County continues to maintain the GFOA guideline.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 11



[Go to Table 12](#)

Description:

Net Direct Debt is bonded debt for which the County has pledged its full faith and credit including Ad Valorem Tax revenues. Net debt excludes debt that would be repaid from sources separate from general tax revenues. Therefore, an increase in net direct bonded long-term debt as a percentage of assessed valuation can mean that the County's ability to repay is diminishing.

Warning Trend:

Increasing net direct bonded long-term debt as a percentage of assessed valuation

Formula:

Net direct bonded long-term debt/Assessed valuation

Source:

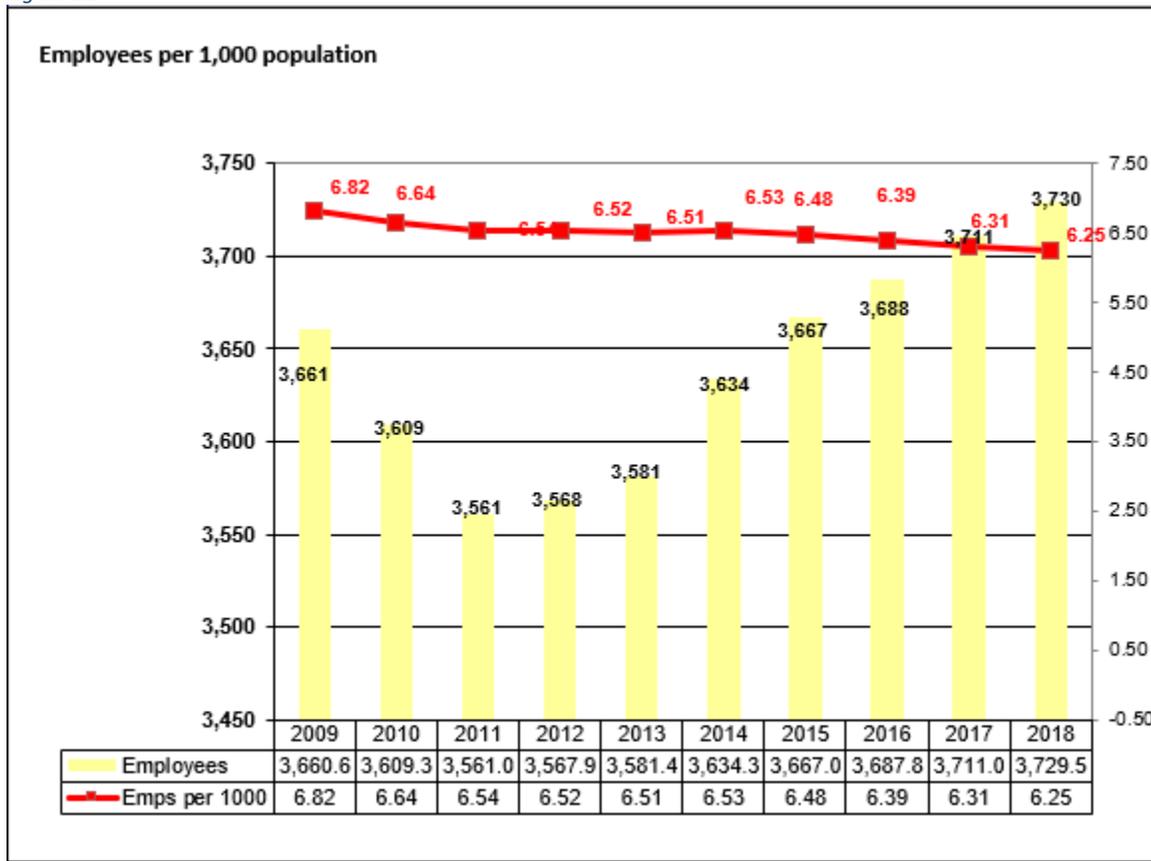
Brevard County Comprehensive Annual Financial Report

Analysis:

According to the International City/County Management Association (ICMA), one of the warning signals for Net Direct Debt is debt exceeding 10% of assessed property valuation. Brevard County's Net Direct Debt (General Obligation Bonds) as a percentage of assessed property valuation continues to remain well below 1%.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Figure 12



[Go to Table 13](#)

Description:

Personnel costs are a major portion of the County's operating budget. Tracking the changes in the number of employees to population is a good way to track changes in expenditures. An increase in Employees per capita might indicate that expenditures are rising faster than revenues, that the County is becoming more labor intensive or that productivity is declining.

Warning Trend:

Increasing number of County employees per capita

Formula:

Number of County employees as of October 1/Population

Source:

Brevard County Adopted Budget
United States Census Bureau

Analysis:

The number of employees per capita declined between 2008 and 2013 as operational efficiencies have been implemented, employee productivity has increased, and number of positions have been reduced. Since 2011 the employees per capita has decreased despite increasing population.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Major Revenue Sources

The operating revenue sources whose histories are summarized below and on the following pages represent the major sources of revenues for Brevard County. These revenues, in the aggregate, represent approximately 56.94% of the County's budgeted total budgeted operating revenues for FY 2019-2020.

This presentation outlines the procedures followed by the Budget Office in forecasting various key revenue sources during the budget development process.

Revenue forecasts are developed by the Budget Office through the review of historical trends of the various revenue sources, input from the operating departments responsible for collecting the revenue, the County Finance Department, and current or estimated economic information provided by Federal, State, local and private sources.

Major sources of information in the projection of County revenues (such as the Half-Cent Sales Tax distribution, State Shared Revenues, and various gas taxes) are received from the Florida Legislature's Office of Economic and Demographic Research and the Office of Tax Research (OTR), Florida Department of Revenue. These offices provide information concerning those revenues which are collected and distributed by the State.

Table 1

Revenue Source	FY 2013-2014 Actual Collections	FY 2014-2015 Actual Collections	FY 2015-2016 Actual Collections	FY 2016-2017 Actual Collections	FY 2017-2018 Actual Collections	FY 2018-2019 Collections to Date*	FY 2019-2020 Adopted Budget
Property Taxes	\$188,884,586	\$201,684,868	\$208,233,093	\$215,874,911	\$223,872,746	\$232,616,345	\$252,414,064
State Shared Revenues	\$9,601,781	\$10,404,639	\$10,633,737	\$11,196,311	\$11,828,523	\$12,474,440	\$13,510,338
Local Half-Cent Sales Tax	\$21,717,996	\$23,195,394	\$24,217,262	\$26,155,675	\$27,846,789	\$27,917,722	\$30,846,100
Franchise Fees & Comm Svc Tax	\$21,017,000	\$20,949,011	\$20,384,882	\$20,093,287	\$20,704,464	\$20,800,879	\$20,919,768
Building Permits	\$2,560,547	\$3,385,772	\$3,138,039	\$4,594,775	\$5,233,259	\$4,932,153	\$4,225,000
County Gas Tax	\$3,769,907	\$4,032,849	\$4,412,690	\$4,623,100	\$4,392,464	\$4,930,670	\$4,386,740
Constitutional Gas Tax	\$6,147,439	\$6,243,552	\$6,571,625	\$6,876,604	\$6,889,790	\$7,196,478	\$6,844,945
Local Option Gas Tax	\$8,977,714	\$9,534,259	\$10,514,082	\$10,929,219	\$10,419,679	\$11,047,389	\$10,693,780
Tourist Development Tax	\$9,887,226	\$11,292,010	\$12,822,623	\$13,601,701	\$15,582,944	\$16,023,918	\$16,600,000
Water/Wastewater Fees	\$31,434,228	\$33,881,387	\$36,014,540	\$38,300,136	\$40,056,080	\$41,467,288	\$44,882,321
Solid Waste Disposal Fees	\$22,774,469	\$22,819,960	\$22,983,915	\$23,218,080	\$23,634,368	\$24,097,215	\$24,551,904
Total Revenue	\$326,772,893	\$347,423,701	\$359,926,488	\$375,463,799	\$390,461,106	\$403,504,499	\$429,874,960

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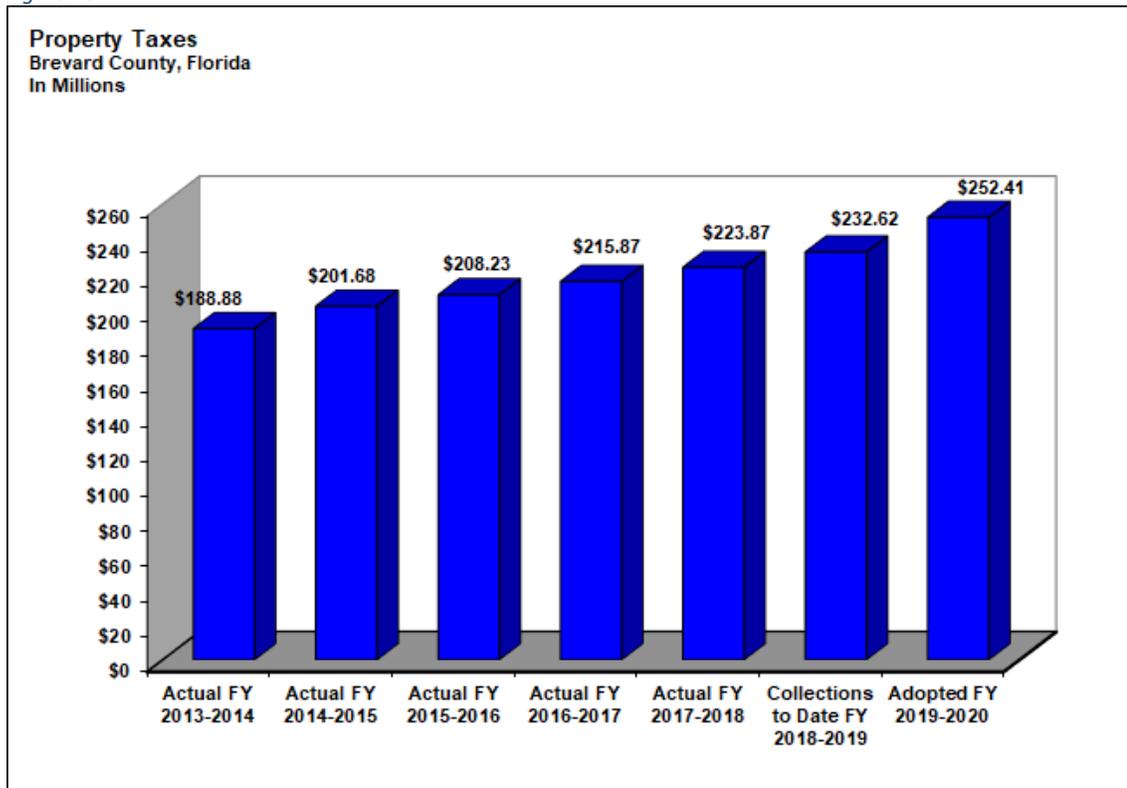
Property Taxes

Property taxes, which are more specifically called ad valorem taxes, are based on the value of the property. The County levies countywide property taxes to support services provided to all county property owners regardless of whether the property is located in a municipality or not. These services include, but are not limited to, Agriculture and Extension Services, Alternative Sentencing Services, Clerk of Courts and Court Services, County Attorney, County Commission, County Manager, Detention Facility, Dispute Resolution, Emergency Management, Family and Children Services, Library Services, Medicaid, Medical Examiner, Mosquito Control, Ocean Lifeguards, Parks and Recreation, Pretrial Diversion and Release, Probation, Road and Bridge Maintenance, Property Appraiser's Office, the Sheriff's Office, Supervisor of Elections' Office, Tax Collector's Office and Veterans Services.

The County also levies separate ad valorem taxes on property in various geographic areas of the County for specific benefits funded by these taxes to those residents. These Municipal Services Taxing Units (MSTU's), or special districts, include services for Law Enforcement, Fire Control, District #1 Recreation, Recreation District #4, the Titusville-Cocoa Airport Authority and seven Road and Bridge MSTU's. Additionally, eight operating and debt service levies for the Port St John/Canaveral Groves Recreation Facilities MSTU, the North and South Brevard Recreation Special Districts and the Merritt Island Recreation MSTU were voter-approved in the districts affected. The County also levies an operating and debt service voter-approved property taxes countywide in support of the Environmentally Endangered Lands program.

Final Property tax collections in FY 2018-2019 totaled \$232,616,345. Budgeted Property tax collections for FY 2019-2020 are estimated at \$252,414,064. This represents an increase of \$19.8 million or 7.84% from the County's FY 2018-2019 collections, however, Typically Brevard County collects about 96% of budgeted Property taxes.

Figure 13



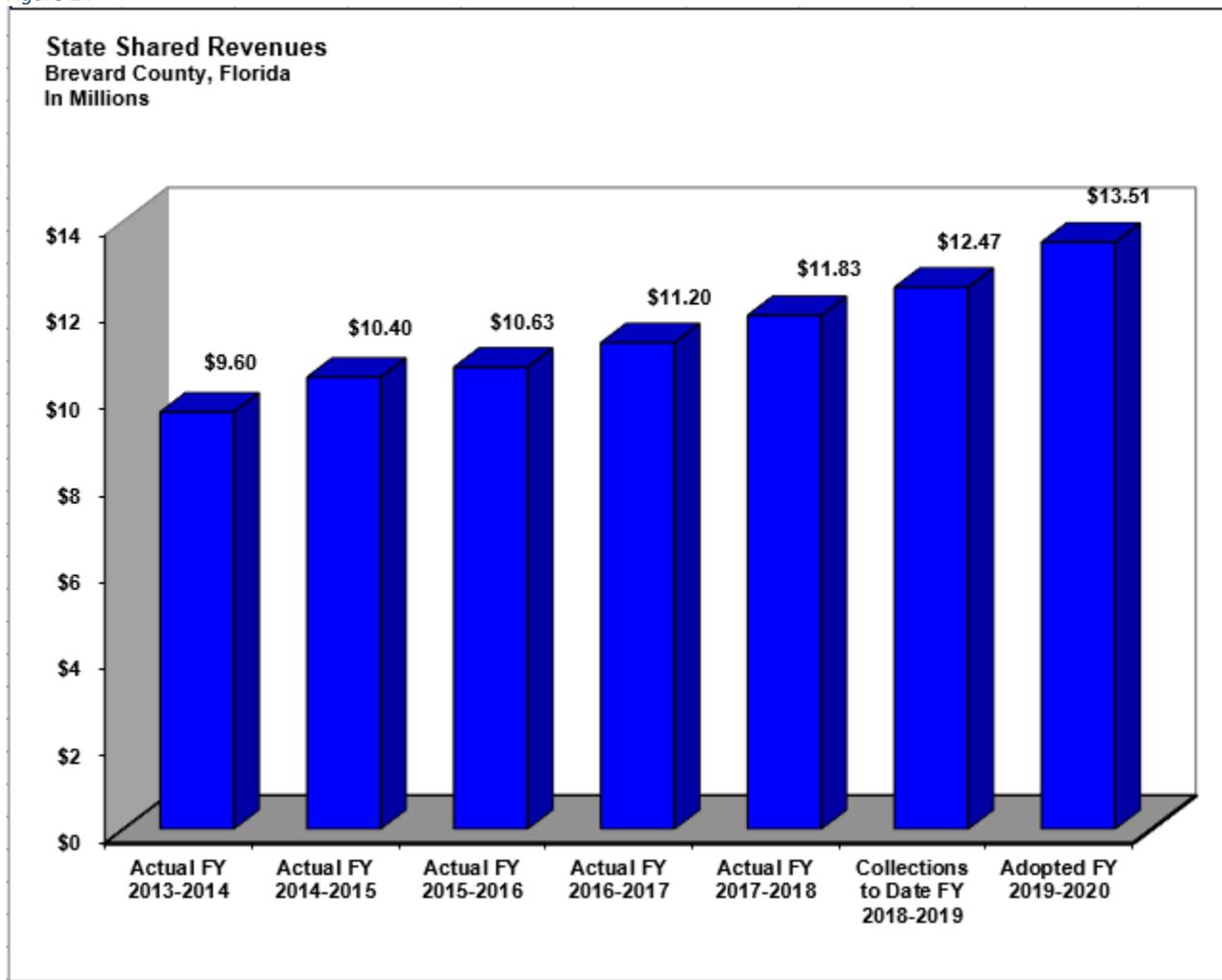
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

State Shared Revenues

The Florida Revenue Sharing Act of 1972 was an attempt by the Legislature to ensure a minimum level of parity across units of local government. Currently, the Revenue Sharing Trust Fund for Counties receives 2.9% of the net cigarette tax collections and 2.0603% of sales and use tax collections. The sales and use tax collections provide approximately 96% of the total revenue shared with counties, with the cigarette tax collections making up the small remaining portion. These funds are collected and distributed to Counties on a monthly basis by the Florida Department of Revenue.

The County's actual receipts from State Revenue Sharing for the FY 2017-2018 were \$11,828,523. The actual collections to date for FY 2018-2019 are \$12,474,440 with the budgeted amount for FY 2019-2020 at \$13,510,338 based the forecast of collection trends.

Figure 14



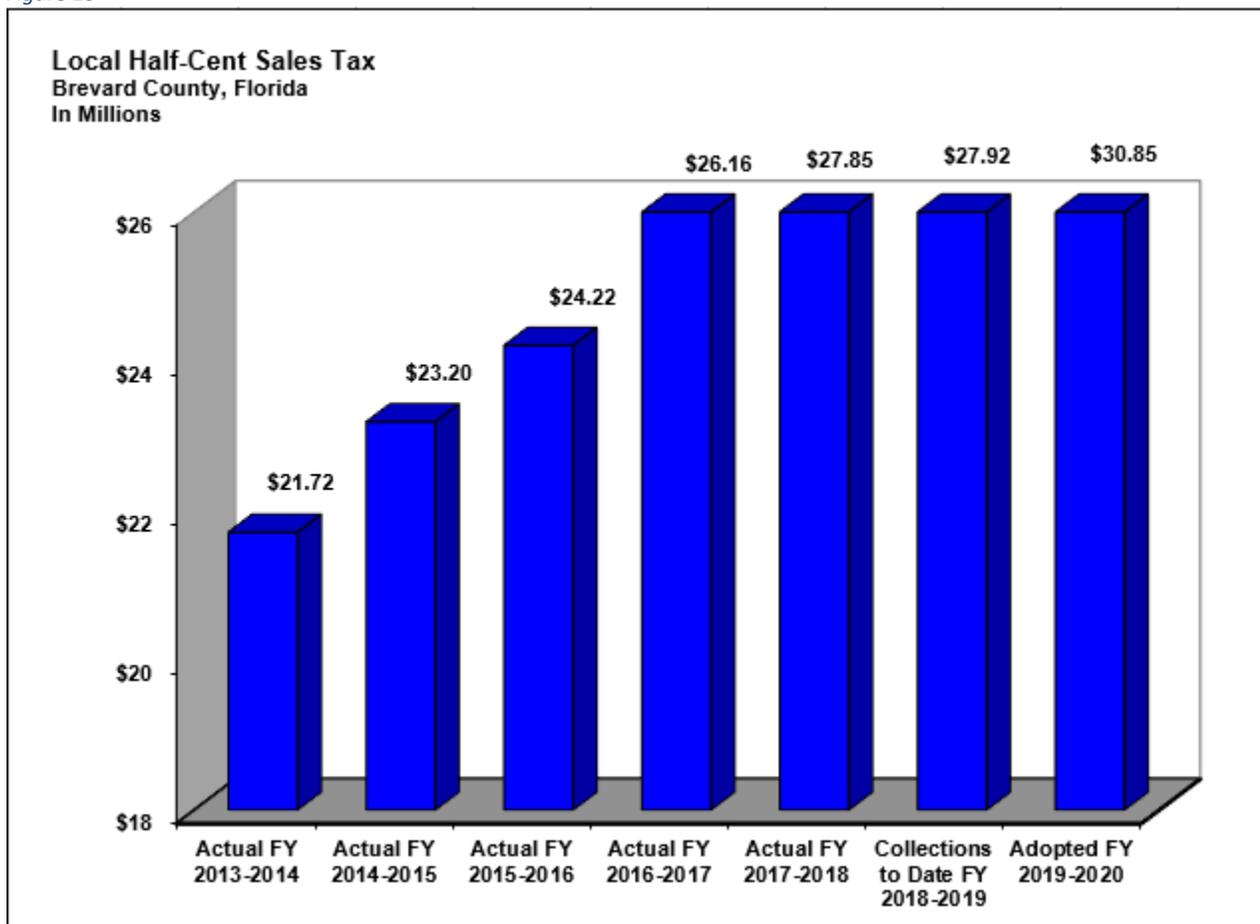
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Local Half-Cent Sales Tax

In October, 1982 Brevard County began receiving a distribution of funds equal to one-half of the fifth cent sales tax remitted to the State by local retail sales establishments. These funds are collected and distributed on a monthly basis by the Florida Department of Revenue. Increases in the local government half-cent sales tax are sensitive to increases in the County's population and the Consumer Price Index (CPI).

The County's actual receipts from half-cent sales tax receipts for the FY 2017-2018 were \$27,846,789. For FY 2018-2019 the actual collections to date are \$27,917,722, with the FY 2019-2020 budgeted amount at \$30,846,100. Beginning in FY 2012-2013, the State of Florida reduced the amount of sales tax remitted to the County by the monthly Medicaid billing. The Budget Office will continue to forecast and report on the gross amount of sales tax distribution.

Figure 15



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

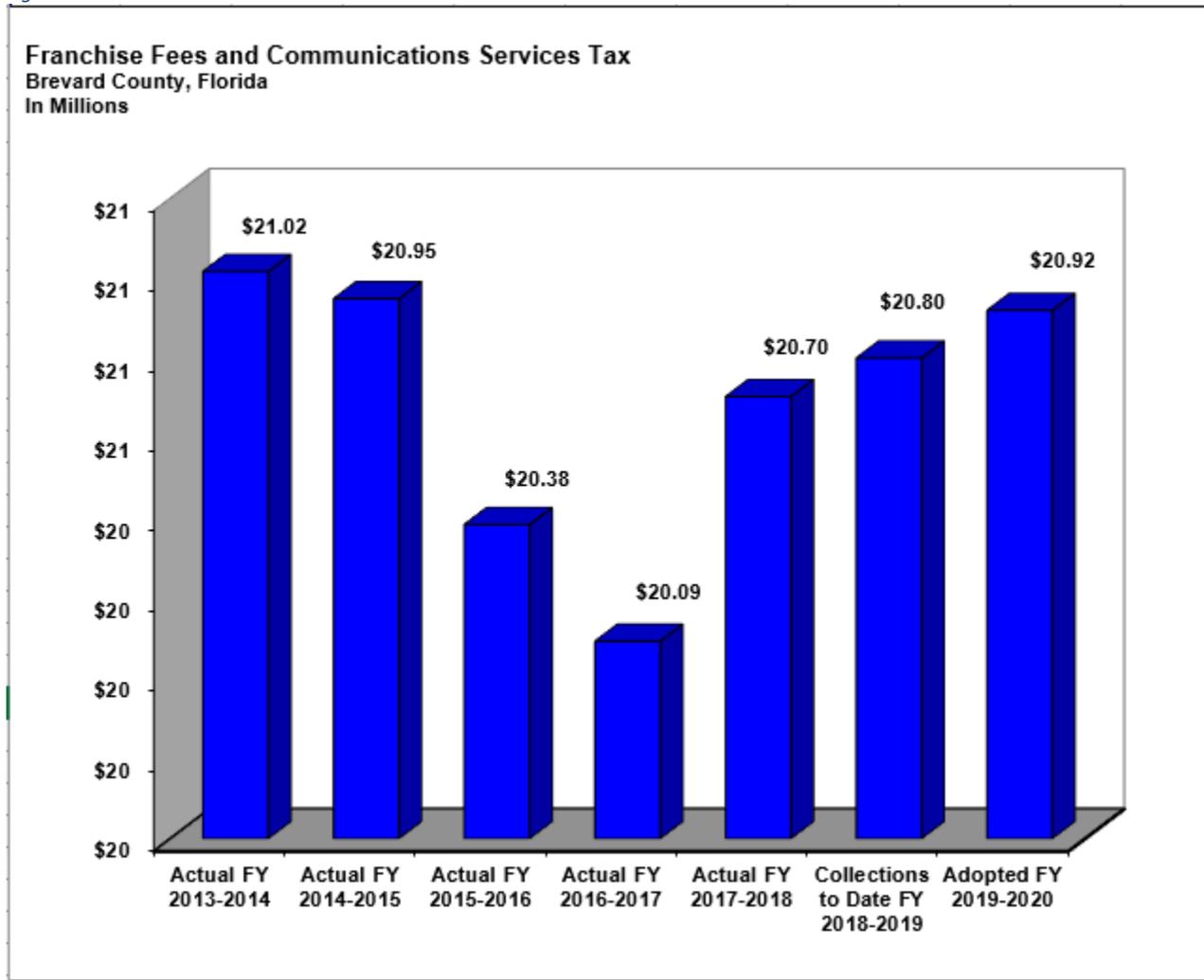
Franchise Fees and Communications Services Tax

Franchise fees are charged by Counties for the use of publicly owned rights-of-way for power and telecommunications companies to construct, operate, and maintain power, telephone and cable television transmission lines or related components and for the sale of electric power and cable television services in the unincorporated areas.

The franchise fees charged to Florida Power and Light (FPL) are levied in accordance with a 30-year franchise agreement. Franchise fees are charged at a rate equal to 5.9% of the gross charges for the sale of electric power.

The County's actual receipts from Franchise fee revenues for the FY 2017-2018 were \$20,704,464. For FY 2018-2019 the actual collections to date are \$20,800,879, with the FY 2019-2020 budgeted amount at \$20,919,768.

Figure 16



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

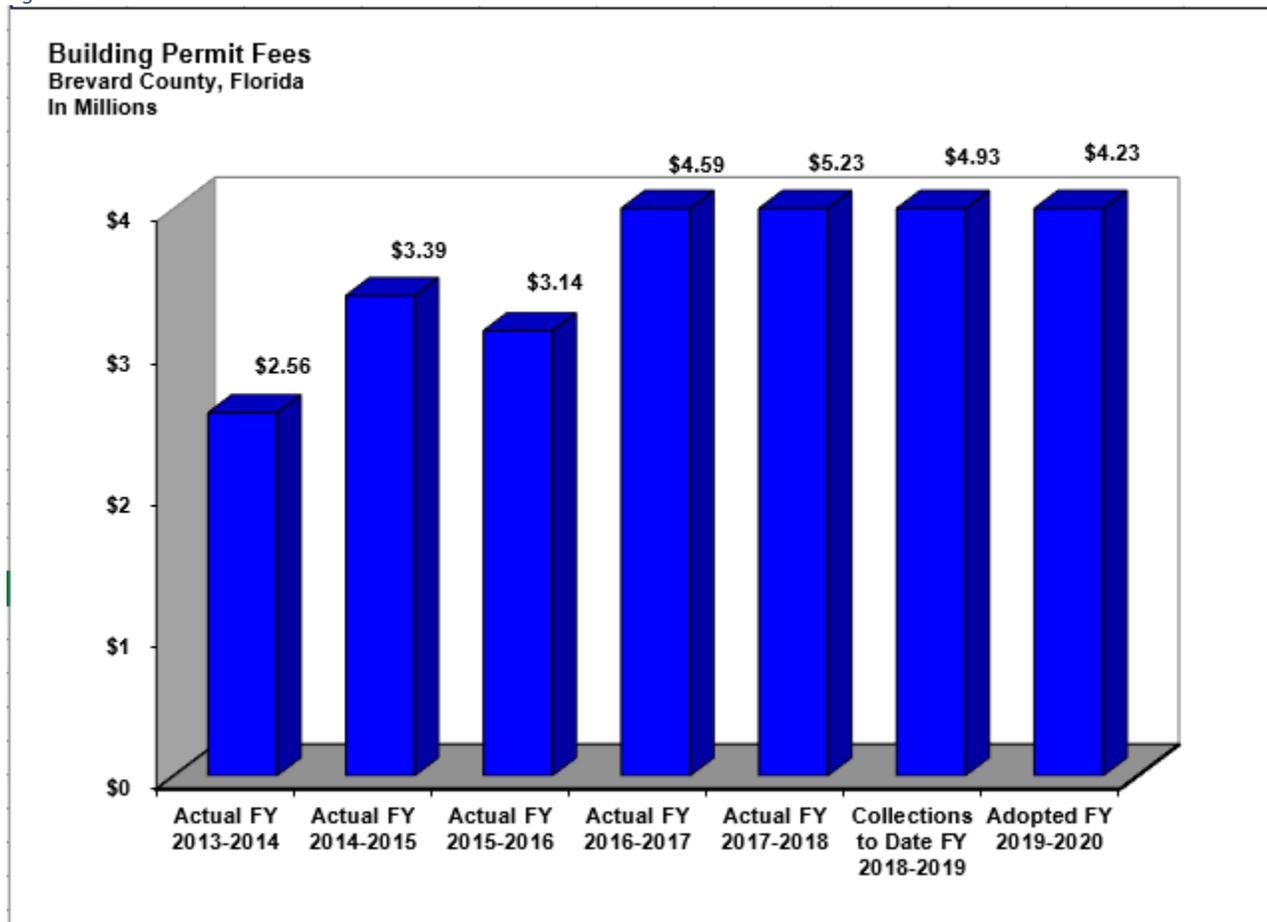
Building Permit Fees

Building permit revenue is derived from fees paid by developers of residential and commercial property. These fees are intended to offset the cost of permit review and inspections ensure that construction meets local, State, and Federal building code requirements. The County collects permit fees only for development occurring in the unincorporated areas of Brevard County.

Building permit revenue is sensitive to housing development and other economic factors. This revenue is also sensitive to inflation in that all permit fees are based upon the value of the work being performed except single-family dwellings, whose permit fees are based on a square footage computation. Thus, while permit fees are somewhat sensitive to inflation (because of construction costs), the level of sensitivity is difficult to measure. Other economic factors such as interest and employment rates have a greater impact upon this revenue source.

The County's actual receipts from Building permit revenue for the FY 2017-2018 were \$5,223,259. For FY 2018-2019 the actual collections to date are \$4,932,153, with the FY 2019-2020 budgeted amount at \$4,225,000.

Figure 17



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Gas Taxes

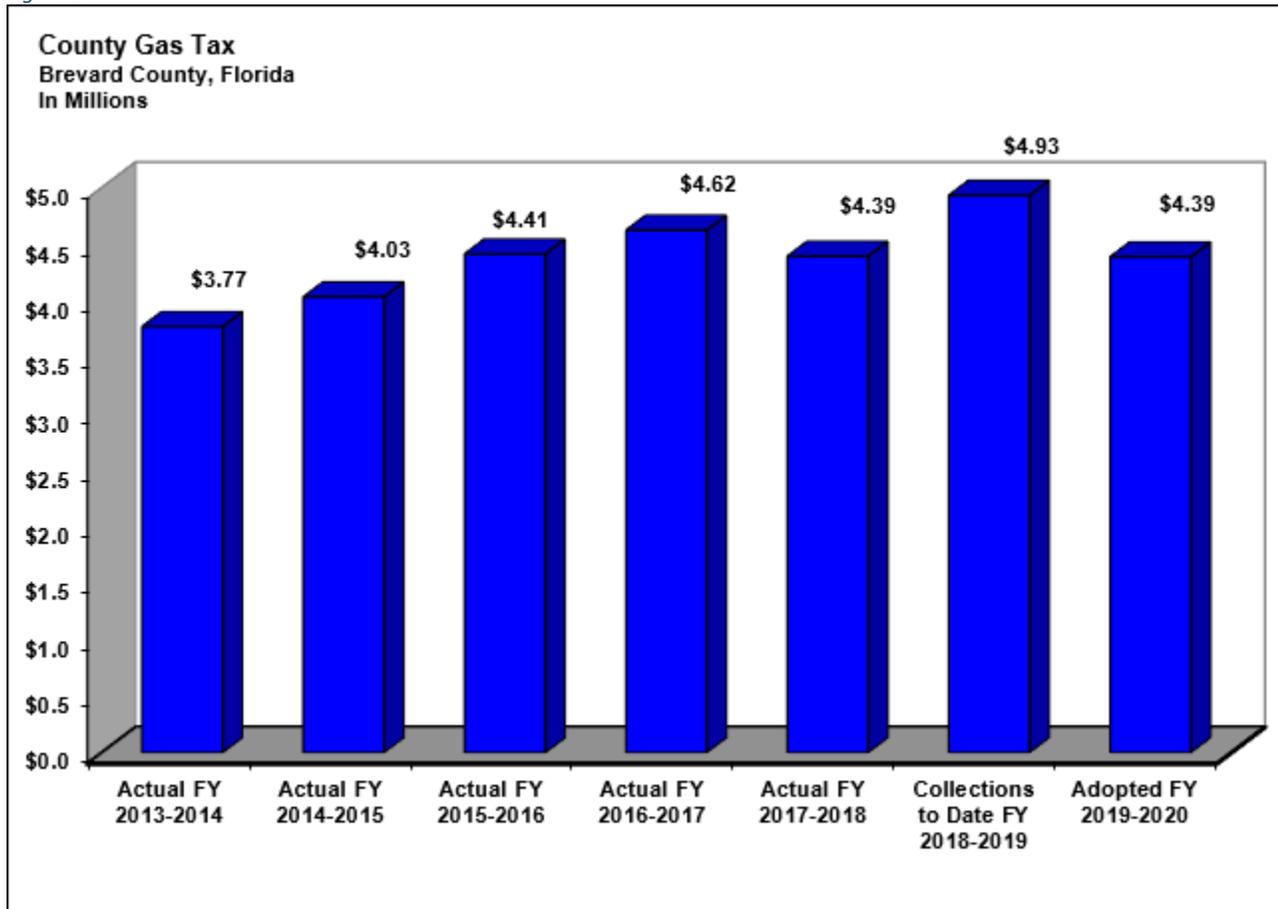
All gas taxes; the Constitutional Gas Tax, County Gas Tax, and Local Option Gas Tax, are imposed on a unit (gallon) basis and are therefore not sensitive to inflation factors. The single major predictor of fuel utilization increase in Brevard County is the estimated increase in population. This population factor is generally used by County agencies in estimating gas tax revenues on a preliminary basis. This resource is also used in the final determination of this revenue estimate.

County Gas Tax

The County Gas Tax is a one-cent tax imposed on every gallon of motor fuel and special fuel sold at the wholesale level. Use of the proceeds is restricted to transportation expenditures. The tax is administered by the Florida Department of Revenue, which distributes the proceeds on a monthly basis. The gas tax can be used to purchase rights-of-way, construction, reconstruction, operation, maintenance, and repair of transportation facilities including roads and bridges. The gas tax can also be used to reduce bonded indebtedness. The gas tax received by Brevard County is used to fund the operations of the County's Road and Bridge Program.

The County's actual receipts from County Gas Tax revenue for the FY 2017-2018 were \$4,392,464. For FY 2018-2019 the actual collections to date are \$4,930,670, with the FY 2019-2020 budgeted amount at \$4,386,740.

Figure 18



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

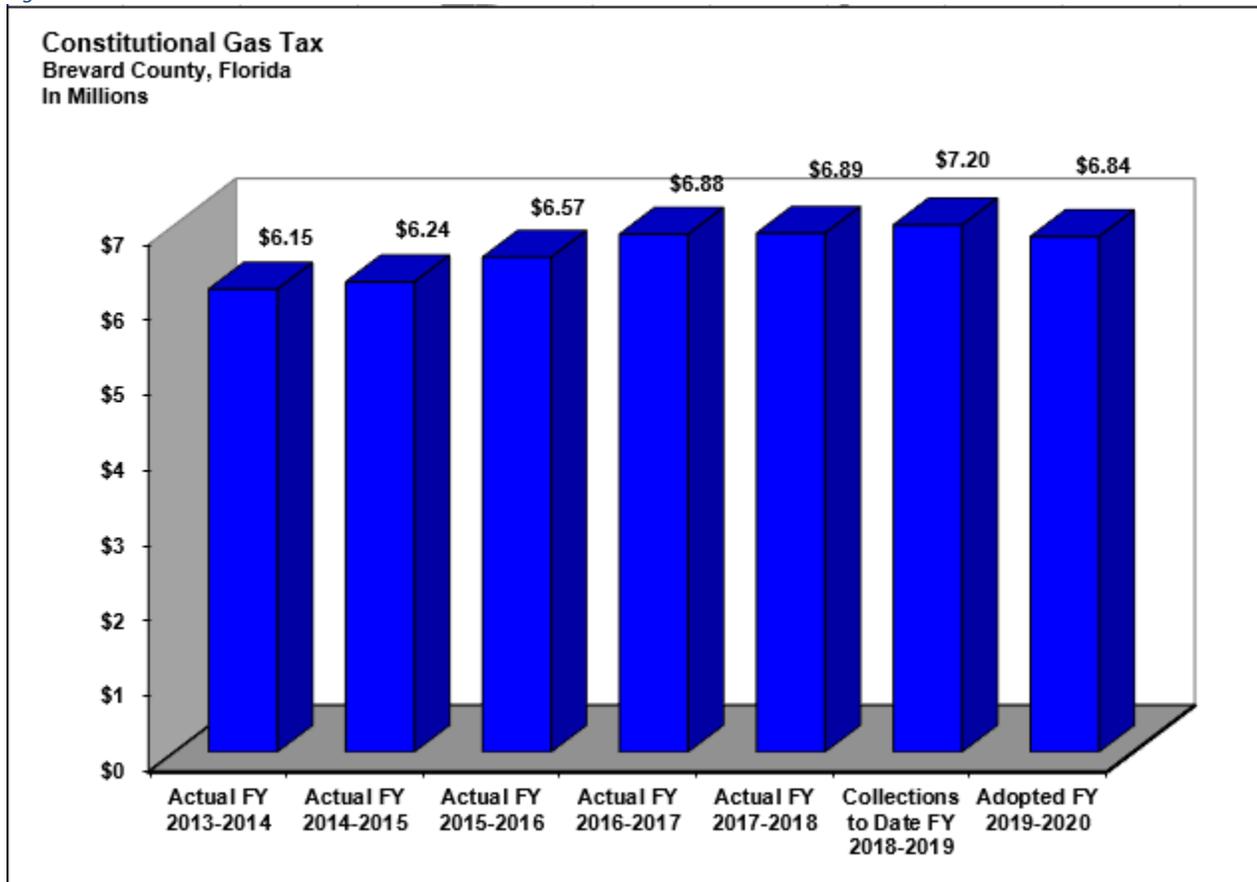
Constitutional Gas Tax

The Constitutional Gas Tax is a two-cent tax imposed on every gallon of motor fuel and special fuel sold at the wholesale level. Use of the proceeds is restricted to the acquisition, construction, and maintenance of roads. The tax is administered by the Florida Department of Revenue and distributed by the State Board of Administration (SBA).

The distribution formula is comprised of: the ratio of county area to state area; ratio of county population to state population; and the ratio of total Constitutional Gas Tax collected in each county to the total collected statewide during the previous fiscal year. This distribution is divided into an 80% portion and a 20% portion. The SBA uses the 80% portion to fund debt service requirements of bond issues pledging Constitutional Gas Tax receipts. If there is a surplus from the 80% portion, it is distributed to the various counties on a monthly basis. If the SBA determines that the 80% portion is not sufficient to cover required debt service, it will withhold the difference from the 20% portion. Otherwise, the 20% portion is distributed directly to the counties. Brevard's 80% and 20% portions have been pledged for debt service payments on the County's Constitutional Fuel Tax Revenue Bonds, Series 2000 and Series 2005. The debt service for both bonds approximates \$3,120,438 annually. These tax funds and the related \$39,735,000 for the Series 2000 and \$25,525,000 for Series 2005 original bond sale proceeds are used for road improvements.

The County's actual receipts from Constitutional Gas Tax revenues for the FY 2017-2018 were \$6,889,790. For FY 2018-2019 the actual collections to date are \$7,196,478, with the FY 2019-2020 budgeted amount at \$6,844,945.

Figure 19



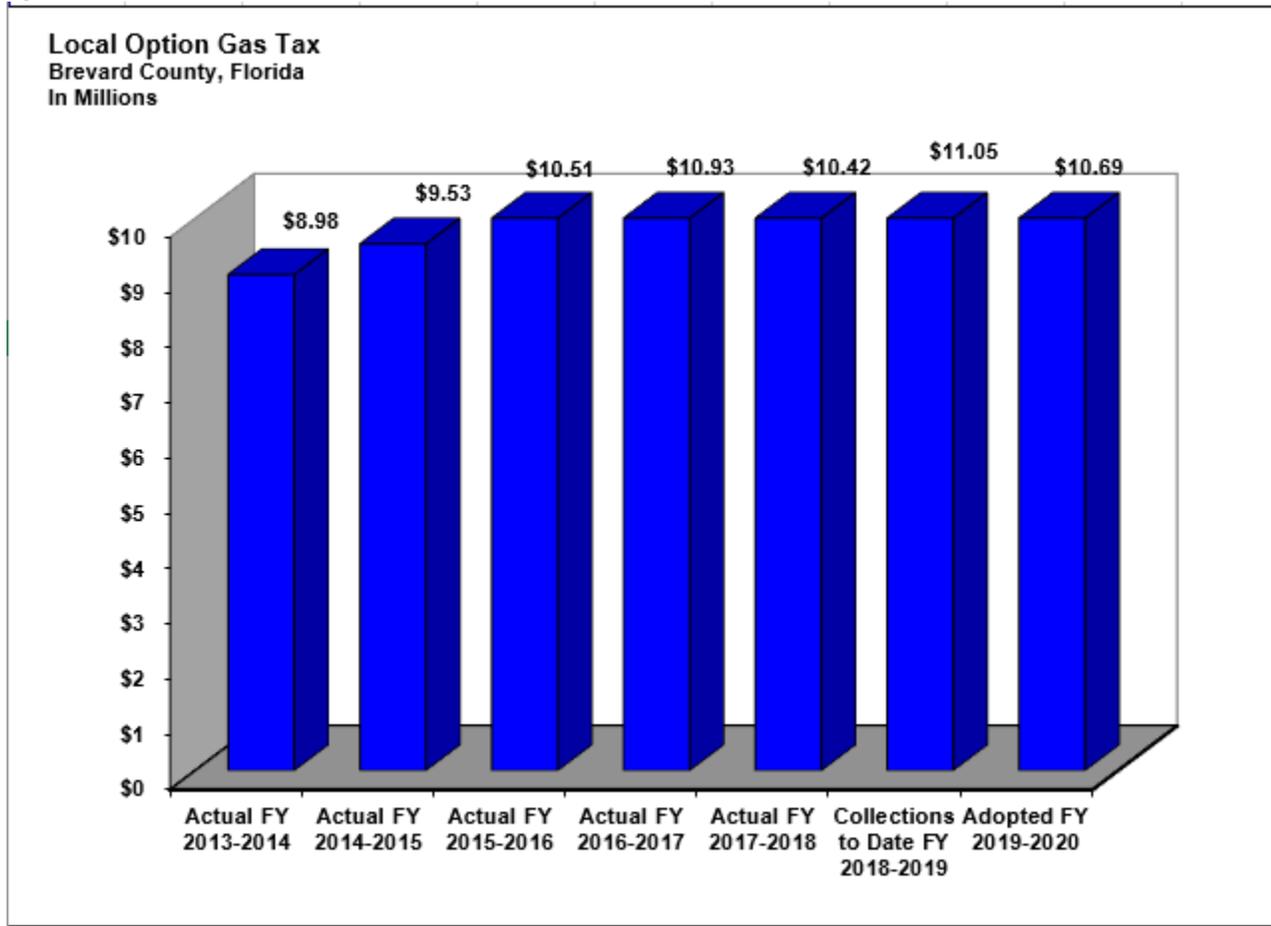
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Local Option Gas Tax

The Local Option Gas Tax is a six-cent tax imposed on every gallon of motor fuel and special fuel sold at the retail level. Use of the proceeds is restricted to transportation expenditures. The tax is administered by the Florida Department of Revenue, which distributes the proceeds monthly to the County and the various municipalities within the County based on an interlocal agreement.

The County's actual receipts from Local Option Gas Tax revenues for the FY 2017-2018 were \$10,419,679. For FY 2018-2019 the actual collections to date are \$11,047,389, with the FY 2019-2020 budgeted amount at \$10,693,780.

Figure 20



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

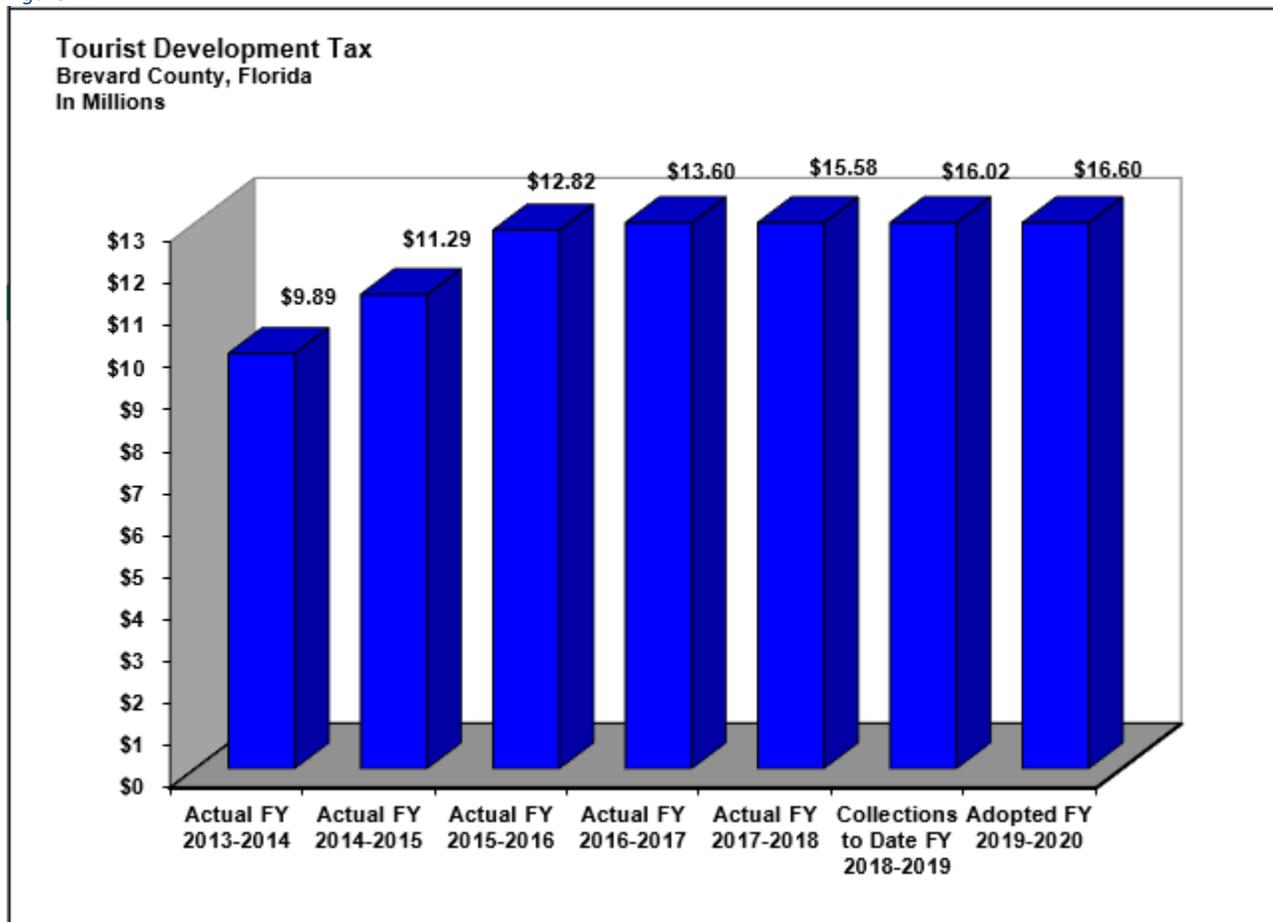
Tourist Development Tax

The Tourist Development Tax is a 5% tax levied on any rental or lease of six months or less for accommodations in hotels, motels or other temporary living quarters. Expenditures are restricted to the financing and operation of tourist-related facilities (including convention centers, sports stadiums, and auditoriums), beach improvements, promotion and/or advertisement of tourism, and to fund tourist promotion bureaus.

Tourist Development Tax revenues are estimated using historical information and tourist market information. This revenue is sensitive to the CPI, but not to population increases.

The County's actual receipts from Tourist Development Tax revenue for the FY 2017-2018 were \$15,582,944. For FY 2018-2019 the actual collections to date are \$16,023,918, with the FY 2019-2020 budgeted amount at \$16,600,000.

Figure 21



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

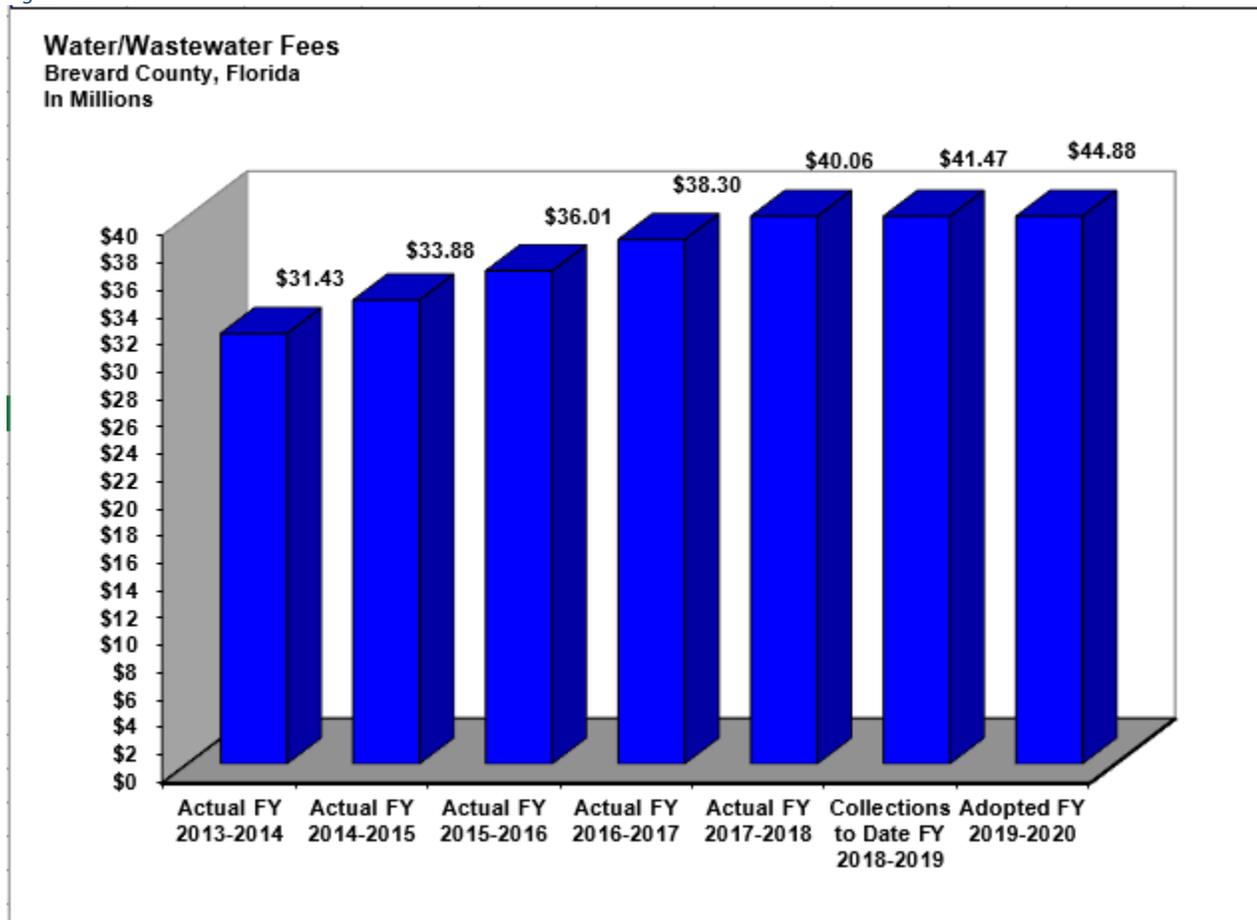
Water/Wastewater Fees

The Water/Wastewater program provides protection of the health, safety and welfare of the public, as well as certain environmental conditions, through the operation and maintenance of the County-owned water supply, treatment and distribution system, and the County-owned wastewater collection, treatment and disposal system. Water/Wastewater fees are charged to users of the County's water/wastewater system. Brevard County currently provides water/wastewater services to unincorporated areas of north Brevard and wastewater services to unincorporated areas of central and south Brevard.

The estimation of Water/Wastewater fees revenues is based on historical collection data, population growth and development plans, as well as other current factors, which would affect the demand for services. A 7% increase was implemented for Water/Wastewater rates for the Barefoot Bay area, while a 9% increase was implemented for the remaining Countywide areas effective January 1, 2014.

The County's actual receipts from Water/Wastewater fee revenue for the FY 2017-2018 were \$40,056,080. For FY 2018-2019 the actual collections to date are \$41,467,288, while the FY 2019-2020 budgeted amount is \$44,882,321.

Figure 22



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

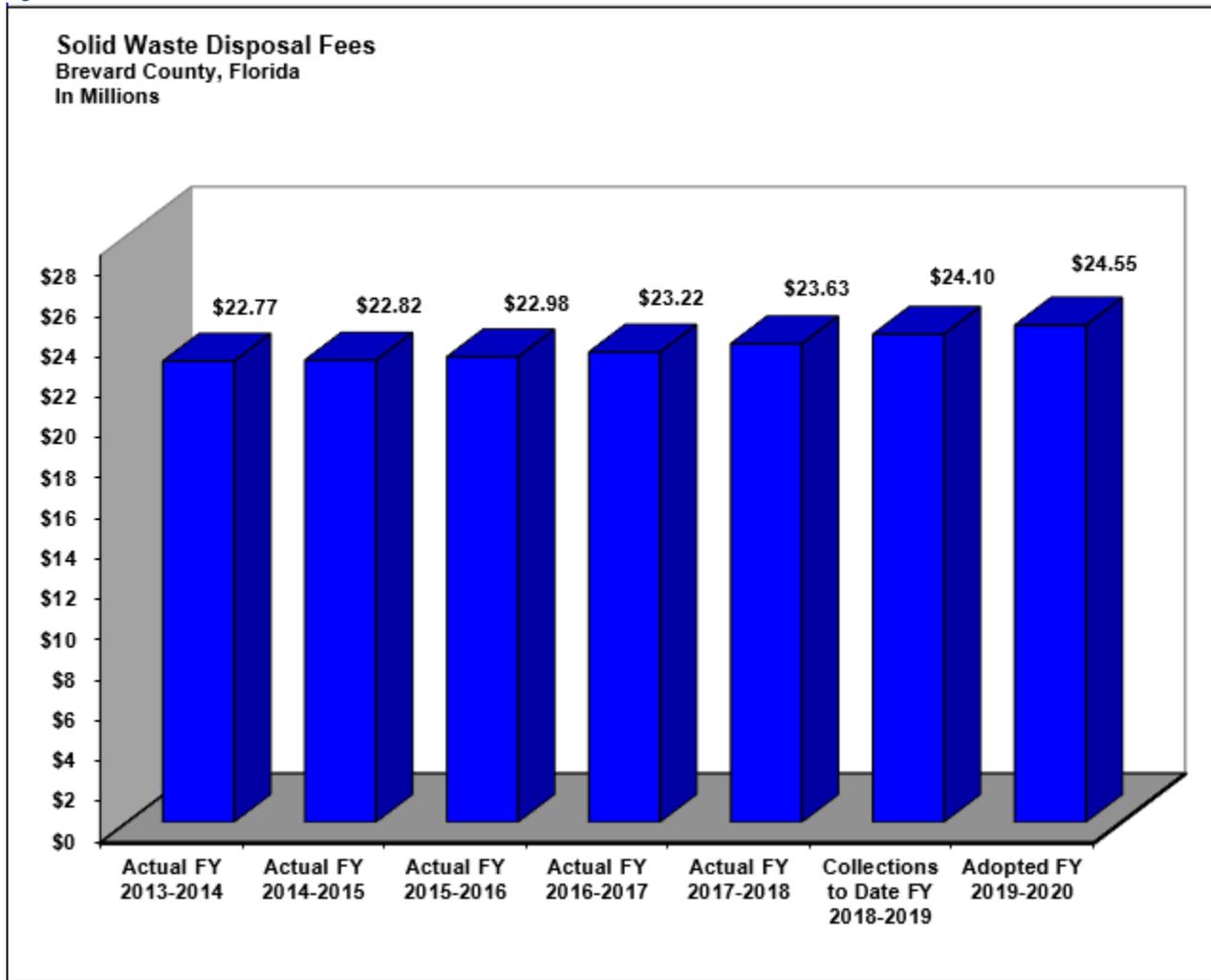
Solid Waste Disposal Fees

The Solid Waste Management Department administers and provides an efficient and environmentally sound solid waste management system for the County's residents. This system includes operational facilities for the transfer and disposal of all solid waste generated in Brevard County, including volume reduction, hazardous waste, and yard trash mulching facilities. Solid Waste disposal fees are charged to the users of the County's landfill, and assessments are charged to all improved property owners for solid waste disposal.

The Solid Waste disposal assessment was unchanged from FY 1999-2004. Effective October 1, 2013, a new seven-year Collection and Recycling contract was implemented. New collection rates take effect October 1, 2018.

The County's actual receipts from Solid Waste disposal fee revenue for the FY 2017-2018 were \$23,634,368. For FY 2018-2019 the actual collections to date are \$24,097,215, while the FY 2019-2020 budgeted amount is \$24,551,904.

Figure 23



FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

APPENDIX

Table 2

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population	543,972	544,319	546,978	550,290	556,885	565,992	577,338	588,265	596,849

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Table 3

Year	Brevard Percentage over 64	Florida Percentage over 64	National Percentage over 64
2009	20.86%	17.24%	12.92%
2010	20.43%	17.30%	13.02%
2011	20.77%	17.60%	13.27%
2012	21.57%	18.19%	13.75%
2013	22.12%	18.69%	14.10%
2014	22.60%	19.13%	14.52%
2015	22.90%	19.40%	14.90%
2016	23.20%	19.90%	15.20%
2017	23.30%	20.10%	15.60%
2018	23.68%	20.46%	16.03%

[Back to Figure 2](#)

Table 4

Year	Local unemployment rate	Florida unemployment rate	National unemployment rate	Labor Force
2009	10.20%	10.40%	9.30%	266,800
2010	11.10%	11.30%	9.60%	266,400
2011	11.10%	10.50%	8.90%	268,600
2012	9.70%	8.60%	8.10%	262,700
2013	8.30%	7.20%	7.40%	258,600
2014	6.90%	6.10%	6.20%	258,100
2015	5.90%	5.33%	5.30%	256,100
2016	5.10%	4.80%	4.90%	262,683
2017	4.20%	4.00%	4.40%	268,757
2018	3.50%	3.55%	3.89%	277,113

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FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Table 5

Year	Personal income per capita (Constant Income)	Personal Income per capita (Actual Income)
2009	\$16,955	\$36,375
2010	\$17,098	\$37,284
2011	\$17,621	\$39,636
2012	\$17,572	\$40,344
2013	\$18,107	\$42,179
2014	\$18,149	\$42,965
2015	\$18,816	\$44,597
2016	\$19,290	\$46,297
2017	\$19,439	\$47,648
2018	\$19,856	\$49,861

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Table 6

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Percent Change	-11.75%	-14.11%	-17.05%	-3.13%	3.04%	9.91%	12.35%	11.78%	11.97%	12.19%

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Table 7

Year	Net Operating Revenues per Capita (actual dollars)	Net Operating Revenues per Capita (constant dollars)
2009	\$467.35	\$218.62
2010	\$427.02	\$196.47
2011	\$411.85	\$184.57
2012	\$391.25	\$171.96
2013	\$391.79	\$168.69
2014	\$397.37	\$168.37
2015	\$417.88	\$176.51
2016	\$417.16	\$174.59
2017	\$418.77	\$171.74
2018	\$433.52	\$173.58

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FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Table 8

Year	Net Operating Expenditures per Capita (actual dollars)	Net Operating Expenditures per Capita (constant dollars)
2009	\$433.45	\$202.76
2010	\$394.98	\$181.73
2011	\$376.60	\$168.77
2012	\$362.96	\$159.52
2013	\$366.43	\$157.77
2014	\$381.52	\$161.65
2015	\$381.61	\$161.20
2016	\$378.04	\$158.22
2017	\$363.69	\$149.15
2018	\$366.46	\$146.73

[Back to Figure 7](#)

Table 9

Year	Tax Revenues (Actual dollars)	Tax Revenues (constant dollars)
2009	\$135,855,539.86	\$63,552,200.90
2010	\$120,178,021.35	\$55,294,939.43
2011	\$120,126,468.84	\$53,834,574.19
2012	\$118,152,936.68	\$51,928,509.07
2013	\$116,890,689.75	\$50,329,683.42
2014	\$120,121,770.24	\$50,896,898.54
2015	\$126,868,493.41	\$53,589,800.38
2016	\$130,592,208.00	\$54,654,812.09
2017	\$134,765,057.00	\$55,267,821.93
2018	\$139,250,851.00	\$55,756,096.50

[Back to Figure 8](#)

Table 10

Year	Intergovernmental Operating Revenue	Intergovernmental Operating Revenues as a percentage of GF Operating Revenues
2009	\$38,441,019.00	15.34%
2010	\$50,206,866.00	21.61%
2011	\$45,687,529.00	20.38%
2012	\$44,940,875.00	21.00%
2013	\$44,043,634.00	20.43%
2014	\$40,061,832.00	18.10%
2015	\$40,622,781.00	17.18%
2016	\$42,384,606.00	17.60%
2017	\$43,284,982.00	17.57%
2018	\$44,757,135.00	17.30%

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FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

Table 11

Year	General Fund Unreserved fund balances	Unreserved fund balances as a percentage of net operating revenues
2009	\$34,153,423.00	13.63%
2010	\$34,031,711.00	14.65%
2011	\$32,296,144.00	14.41%
2012	\$26,022,934.00	12.16%
2013	\$32,835,786.00	15.23%
2014	\$26,046,141.00	11.77%
2015	\$29,015,052.00	12.27%
2016	\$33,330,541.00	13.84%
2017	\$36,529,408.00	14.83%
2018	\$46,702,030.00	18.05%

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Table 12

Year	Assessed Value	Net direct bonded long-term debt as a percentage of assessed valuation
2009	\$33,337,685.90	0.53%
2010	\$29,104,449.21	0.56%
2011	\$24,904,162.08	0.51%
2012	\$24,622,309.98	0.49%
2013	\$25,739,437.80	0.44%
2014	\$27,982,368.41	0.37%
2015	\$29,651,180.14	0.32%
2016	\$31,906,496.45	0.26%
2017	\$34,564,221.49	0.22%
2018	\$37,698,498.61	0.13%

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Table 13

Year	Number of municipal employees	Number of municipal employees per capita
2009	3,660.58	6.82
2010	3,609.28	6.64
2011	3,560.96	6.54
2012	3,567.90	6.52
2013	3,581.40	6.51
2014	3,634.25	6.53
2015	3,667.00	6.48
2016	3,687.75	6.39
2017	3,711.00	6.31
2018	3,729.50	6.25

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