

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

INTRODUCTION

As recommended by the Government Finance Officers Association (GFOA) and the International City/County Management Association (ICMA), 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 Consumer 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

The 2010 census officially placed Florida as the fourth most populous state in the United States. Florida also ranked eighth in the nationwide comparison of population growth rates during the decade from 2000 to 2010 as the State's population increased by 17.6% to 18,801,310 persons in 2010.

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. 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 five 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 rose to 11.6% in September 2011, which represents a slight decrease from September of the prior year.

Personal Income

Personal income per capita is measured by the State of Florida on a county-by-county basis. Counties generally monitor this as a means of measuring residents' ability to fund the services provided by Counties. From 2004 to 2011, personal income per capita in Brevard County grew 19.4% from \$27,884 to \$33,291. During that same period, the Consumer Price Index grew 19.5%. The similarity of these growth rates implies that the residents' ability to pay for services is keeping pace with inflation.

Taxable Sales

Taxable sales of products and services in Brevard County are a key indicator of economic health. Because the County receives one-half of one cent of Florida's sales tax, this indicator has a direct impact upon the County's budget. From Fiscal Year 2005-2006 through Fiscal Year 2009-2010, actual receipts decreased from \$24.6 million to \$19.1 million. For FY 2011-2012 budget reflects an improvement to \$20 million.

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.

The National Consumer Price Index-U (All Urban Consumers - U. S. City Average) for September 30, 2003 was 185.1; at September 30, 2011 this index was 226.96, a 22.61% increase.

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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 continued to decline in 2011, due to the decline in the overall economy and, more specifically, the burst of the housing bubble. Florida tax reform efforts also decreased the gross taxable property values due to the increased homestead exemption, Save Our Homes portability and the assessment cap on non-homesteaded properties.

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.

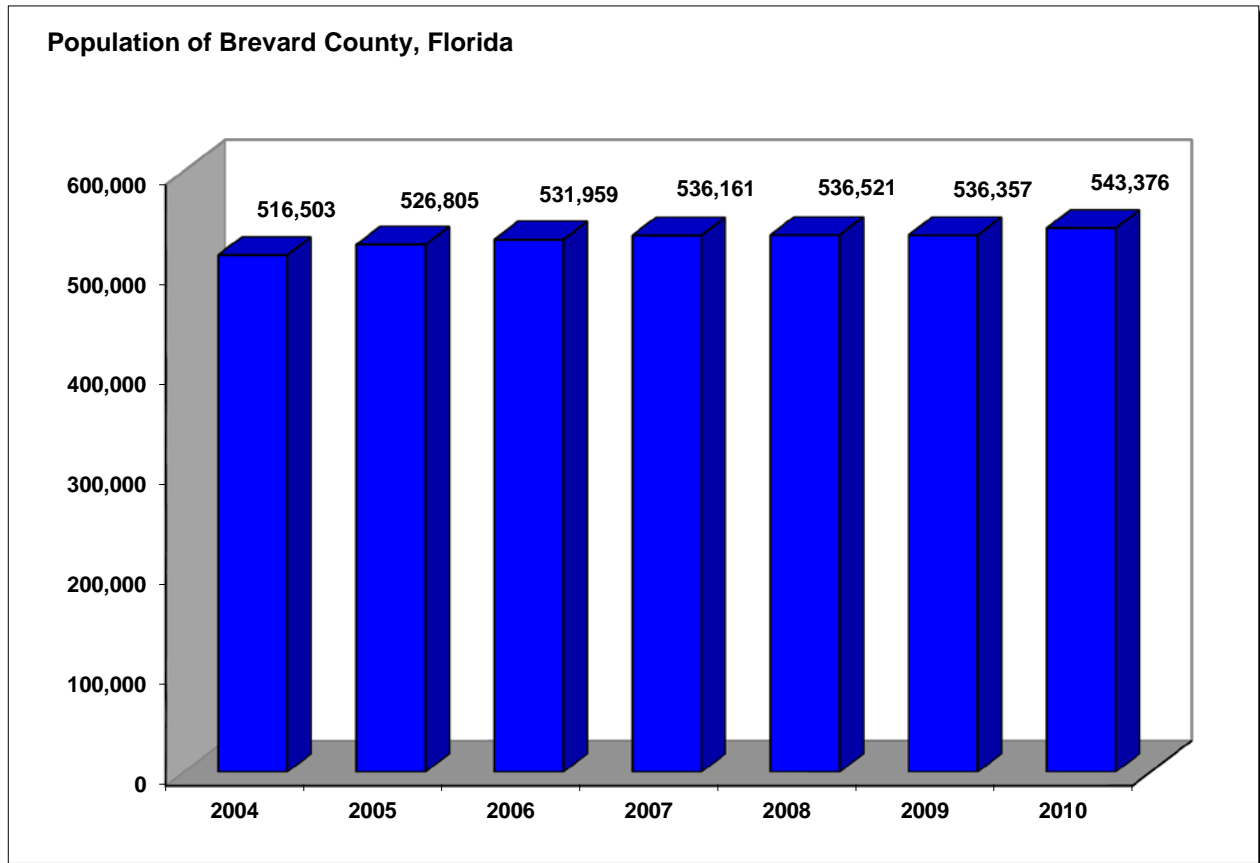
The County’s Fund Balance also includes funds which have been brought forward from prior year capital projects, as well as funds retained because of the County’s debt reserve requirements.

The General Fund Balance at September 30, 2010 was \$34,031,711 or 14.65% 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.

CONCLUSION

Brevard County has been significantly impacted by the downturn in the national economy and the retirement of the space shuttle fleet. The impact has been evidenced in all facets of the market. Among local concerns is the reduction-in-force that has occurred at the Kennedy Space Center. The Institute for Economic Competitiveness of the University of Central Florida expects to see moderate growth in the economic indicators that the Institute tracks for the Brevard County Metropolitan Statistical Area (MSA). Employment growth is forecasted to average 0.5% for each year (through 2014) with an average unemployment rate of 11.1%. This will exceed Florida’s unemployment rate which is forecasted to remain above 10% through the 3rd quarter of 2013 but then begin a decline to 8.8% at the end of 2014.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



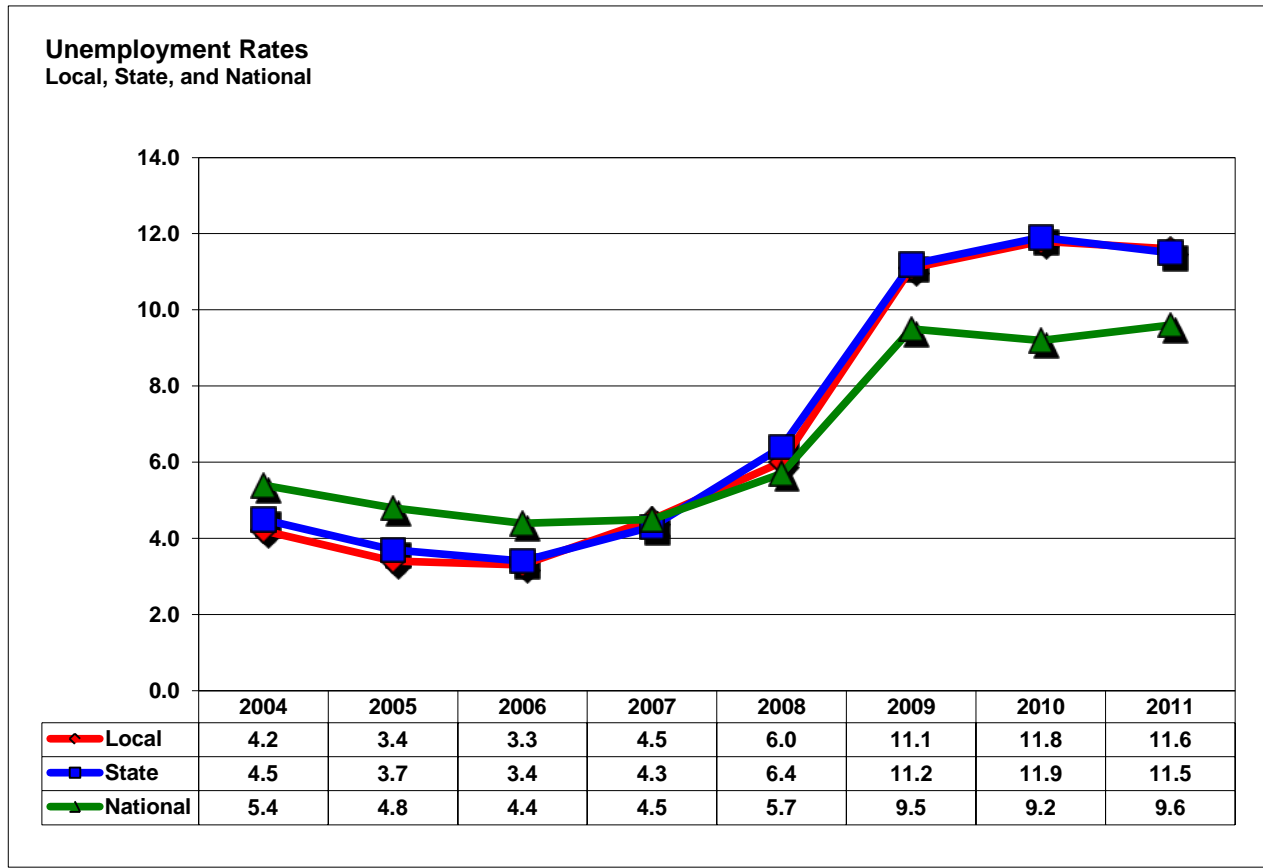
Formula: Population

Source: U.S. Census Bureau

Analysis:

Population change can directly affect governmental services. A population increase can create pressures for new and improved infrastructure and higher levels of service.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: Local, State And National Unemployment Rates As Of September 2011

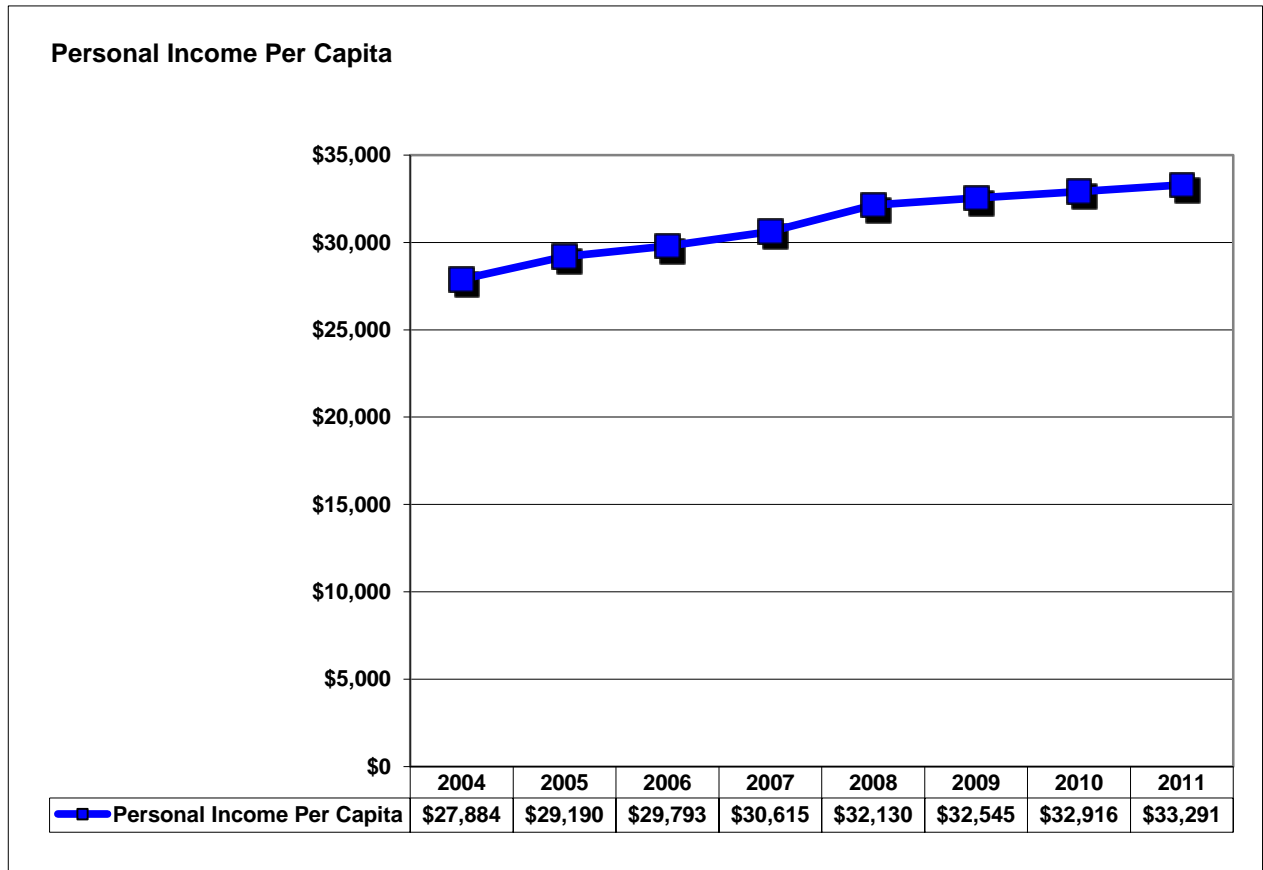
Source: State Of Florida Department Of Labor And Security

Analysis:

Unemployment rates are a traditional indicator of the relative economic health of the County. Consumers who lose their jobs curtail spending in response to the loss of income, while others who remain employed may curtail spending in anticipation of future job losses. As a result, even small increases in unemployment, if accompanied by a loss of consumer confidence, can have a major impact on sales tax-dependent revenue sources. Changes in unemployment affect all of the revenue sources associated with the purchase of goods and services: state revenue sharing, local government local half-cent sales tax, local option gas tax, constitutional gas tax, county gas tax and local option resort tax.

Brevard County's unemployment rate decreased from 2003 until 2006, remaining below state and national levels. The increase in the 2007 through 2010 unemployment rates on the local and state levels reflect losses in occupational fields tied to the declining housing market and overall macroeconomic conditions and the end of the shuttle program. The 2011 unemployment rates are not significantly changed from the prior year.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: Personal Income Divided By Population

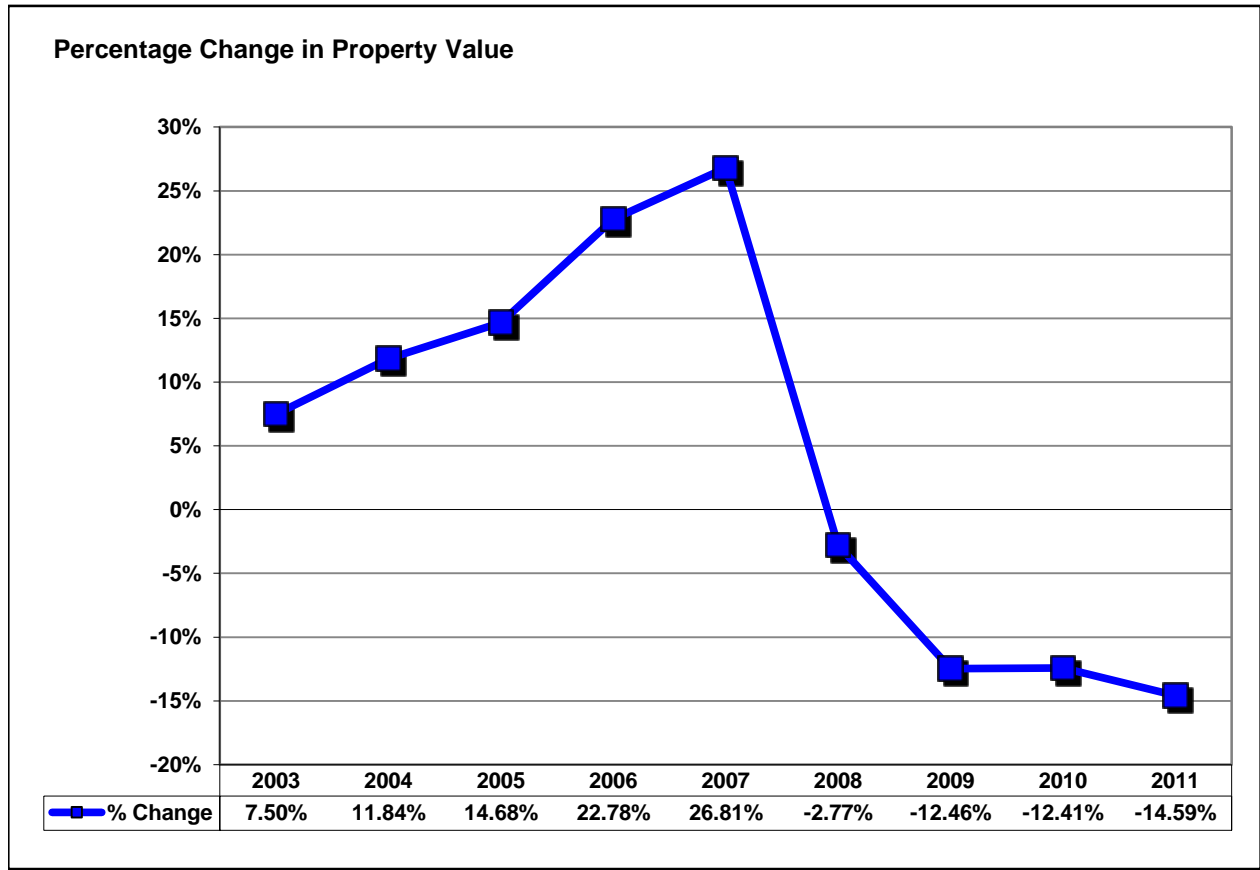
Source: University Of Florida Bureau Of Economic And Business Research

Analysis:

Personal income per capita is one measure of a community's ability to pay taxes: the higher the personal income per capita, the more property tax and sales tax a community can generate. Credit rating firms use per capita income as an important measure of a local government's ability to repay debt. They compare personal income per capita with the government expenditures per capita to determine whether the community has the capacity for growth in expenditures. If not, it is an indicator that a community may develop an inability to meet future financial obligations.

Brevard County's personal income per capita trend reflects a 16.24% growth from 2004 to 2011.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: Property Valuations For The Fiscal Years Ending As Indicated

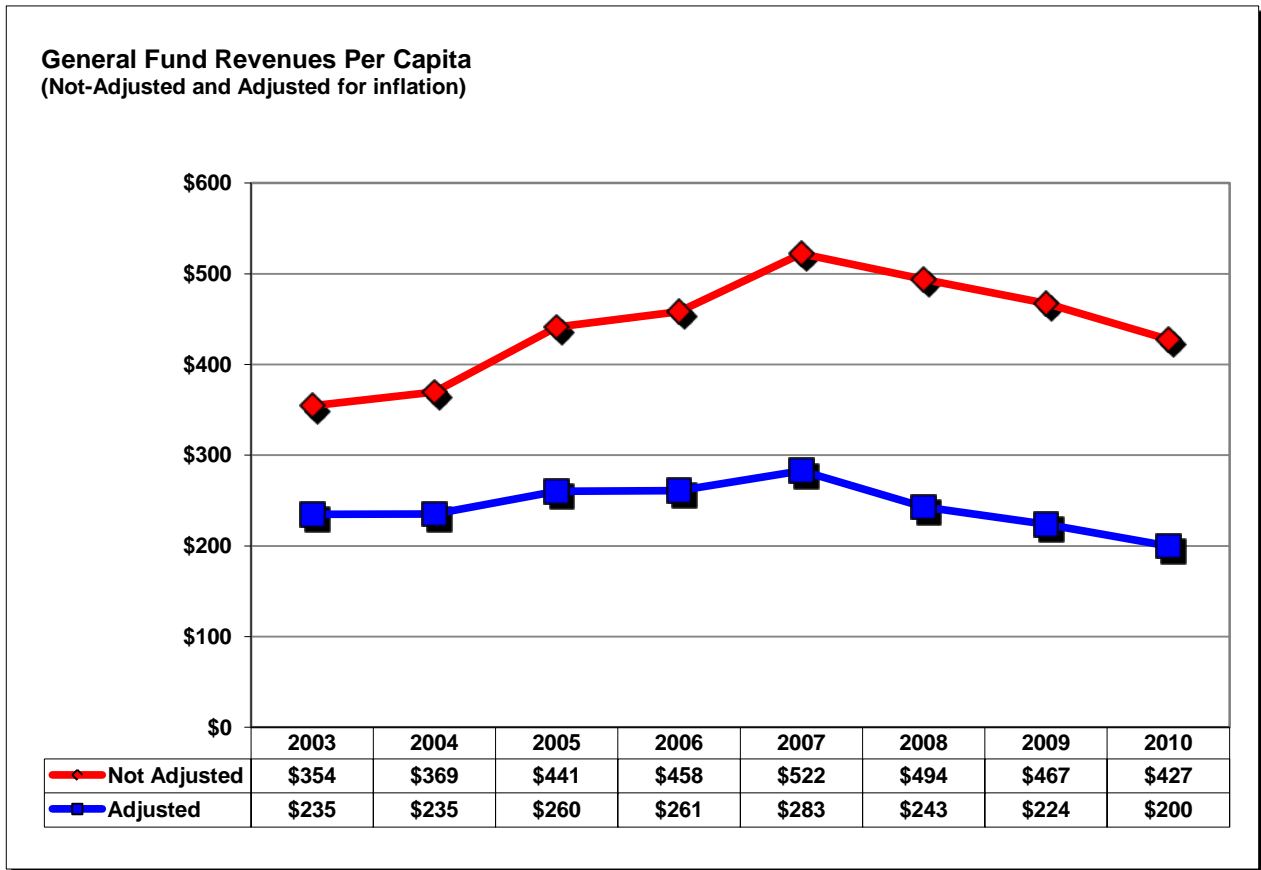
Source: Brevard County Property Appraiser

Analysis:

Property values reflect the overall strength of the County's real estate market. This market, in turn, reflects the strength of the County as a whole. When the economy is growing, new residents and businesses are attracted to the County, increasing the prices of existing properties and encouraging the development of undeveloped land. Property values may also indicate strength in the construction industry, which in itself, contributes to the local economy.

The rate of growth in property values began to become unstable in 2003. Significant percentage increases were experienced from 2003 through 2007, followed by a sharp percentage decrease associated with the nationwide housing and real estate market decline from 2008 through 2011. The Property Appraiser's Office estimates that FY 2011-2012 will be -10%, FY 2012-2013 will be -7% and FY 2013-2014 will be 2%.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: General Fund Revenues Divided By Population
General Fund Revenues Adjusted For Inflation

Source: Brevard County Comprehensive Annual Financial Reports, 2003 through 2010
University Of Florida Bureau Of Economic And Business Research
United States Department of Labor; Consumer Price Index for All Urban Consumers (CPI-U)

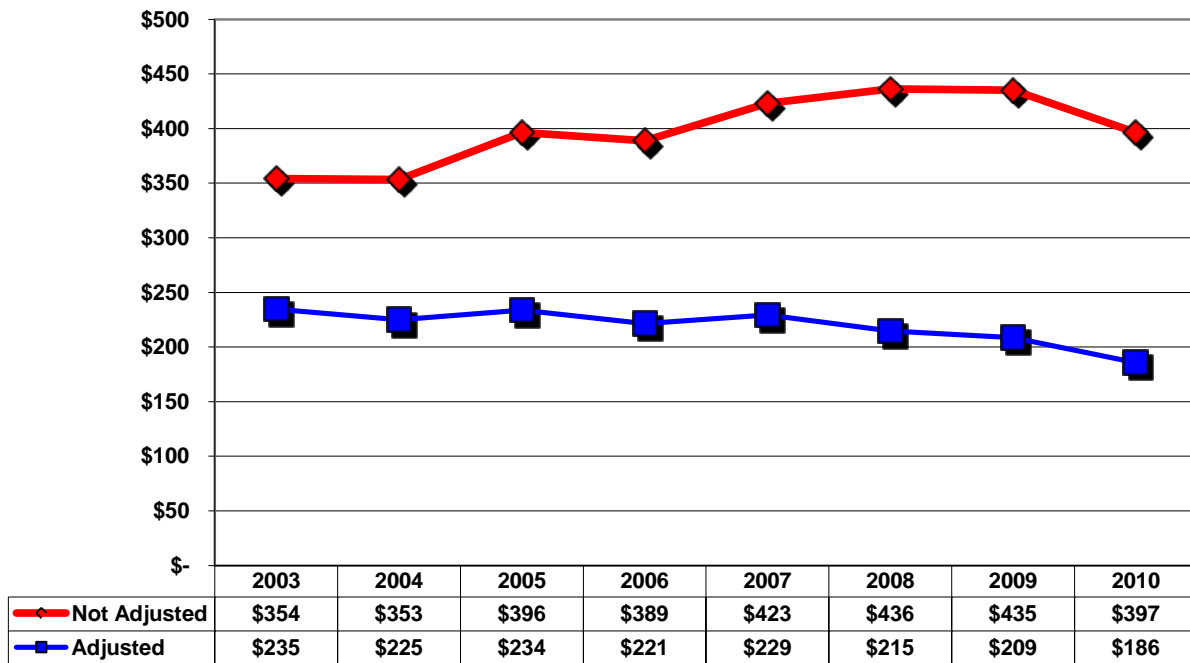
Analysis:

As the County's population grows, it is anticipated that revenues and the needs for services will increase in a direct relationship. Therefore, the level of revenues per capita should at least remain constant and, at a minimum, equal expenditures per capita. If revenues per capita decrease, or become lower than expenditures per capita, it may hamper the County's ability to maintain the existing level of services unless new sources of revenues, or ways of trimming expenses, can be found.

The County's revenue per capita, not adjusted for inflation, has increased 20.62%, while inflation has increased 18.54% for the periods analyzed. The County's expenditures per capita, not adjusted for inflation, have increased by 12.15%. During the same period, the County's population has grown by 5.20%.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

General Fund Expenditures per Capita
(Not-Adjusted and Adjusted for inflation)



Formula: General Fund Expenditures Divided By Population
General Fund Expenditures Adjusted For Inflation

Source: Brevard County Comprehensive Annual Financial Reports, 2003 through 2010
University Of Florida Bureau Of Economic And Business Research
United States Department of Labor; Consumer Price Index for All Urban Consumers (CPI-U)

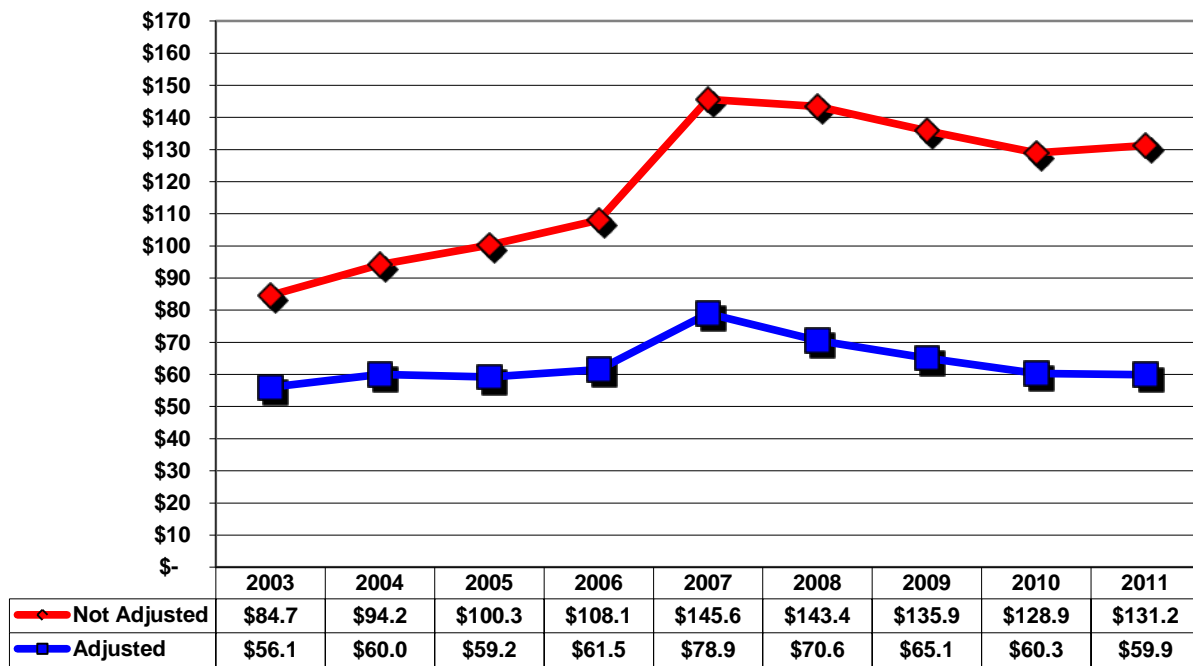
Analysis:

Changes in expenditures per capita reflect changes in expenditures relative to changes in population. Increasing expenditures can indicate that the cost of providing services is outstripping the community's ability to pay, especially if spending is increasing faster than the residents' collective personal income. If spending is increasing faster than can be accounted for by inflation or the implementation of new programs, it may indicate declining productivity; that is, the government is spending more funds to support the same level of services.

The trend in Brevard County expenditures has been for small increases totaling 12.15% from 2003 to 2010, while inflation increased 18.54% during the same time period. This expenditure pattern is viewed as successful, considering inflation and the unfunded mandates that the County has been required to absorb. From 2003 through 2010, General Fund Revenues Per Capita have maintained a level that is greater than or equal to the General Fund Expenditures Per Capita.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

General-Countywide Property Tax Revenues
Effects of inflation on the County's Property Tax Revenues
(Not-Adjusted and Adjusted for inflation)
In Millions



Formula: General-Countywide Property Tax Revenues

Source: Brevard County Comprehensive Annual Financial Reports, 2003 through 2010
 United States Department of Labor; Consumer Price Index for All Urban Consumers (CPI-U)

Analysis:

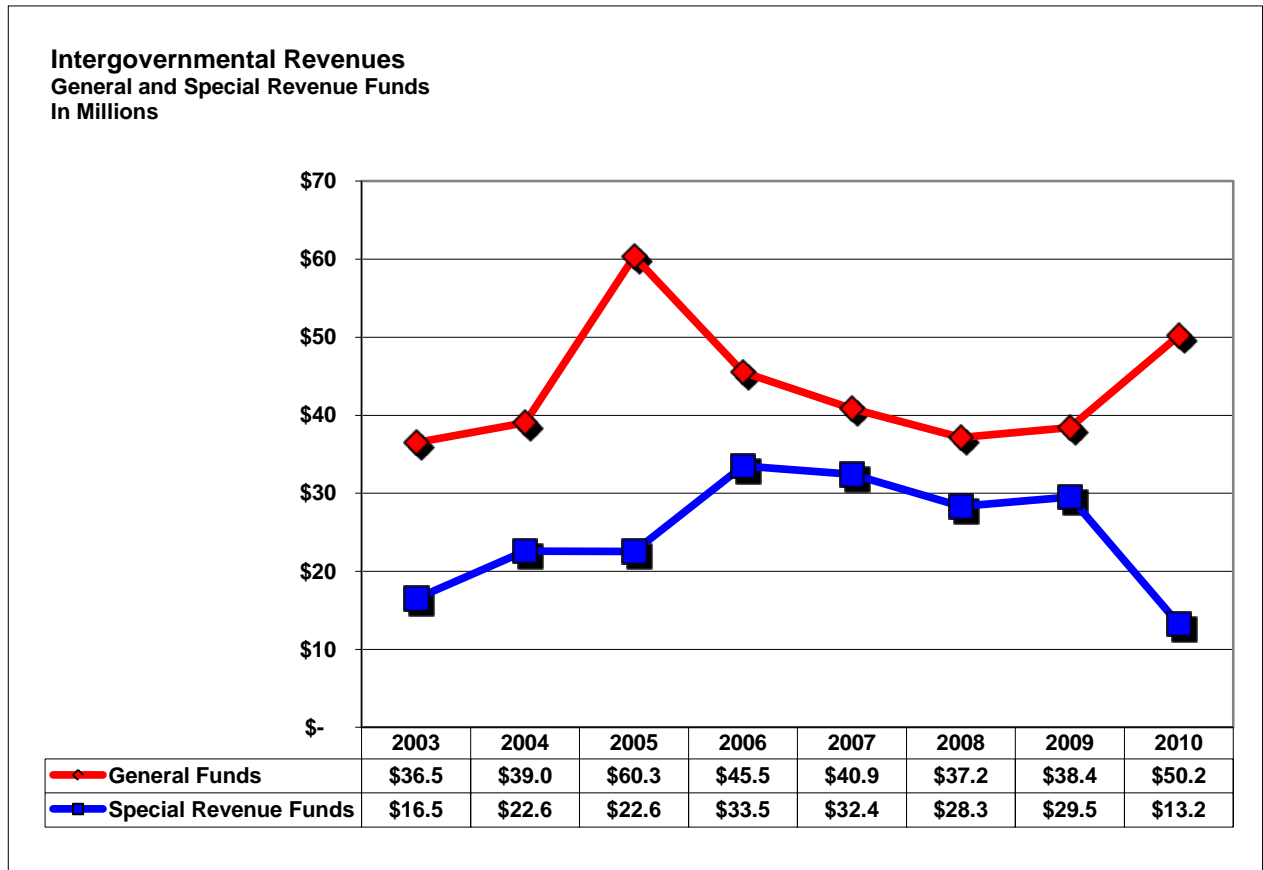
Property tax revenues are considered separately from other revenues because Brevard County relies heavily on this revenue source. Approximately 61.5% of the General Fund's operating revenues are derived from a General-Countywide property tax. A decline or a diminished growth rate in taxable property can result from a number of causes. First, it may reflect an overall decline in property values. Second, it may result from the transfer of taxable property to organizations that are exempt from property taxes. Third, it may result from decline in new development.

As indicated in this presentation, from 2003 through 2006, despite repeated reductions in the General-Countywide millage, the County's property tax revenues, adjusted for inflation, reflect consistent increases associated primarily with increases in taxable values.

It is noteworthy that increases in taxable property values from new construction result in additional revenues. Increases in taxable values from existing properties do not generate additional revenue, without advertising a tax increase, due to the millage rolled back procedure required by Florida's "Truth in Millage" Law.

The 2007 increase in property tax revenues is primarily a result of a change in the revenue and billing methodologies for the Fire Service and Emergency Medical Service (EMS). Whereas the Fire Service was formerly funded primarily from property taxes, this service is now funded primarily from a non-ad valorem assessment. Conversely, whereas EMS was formerly funded in large part from a non-ad valorem assessment, this services is now funded in large part from property taxes via the general countywide property tax.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: Intergovernmental Revenues

Source: Brevard County Comprehensive Annual Financial Reports 2003 through 2010

Analysis:

Intergovernmental revenues, revenues received from other governmental entities, present an opportunity for higher levels of government to return funding collected locally to the local level.

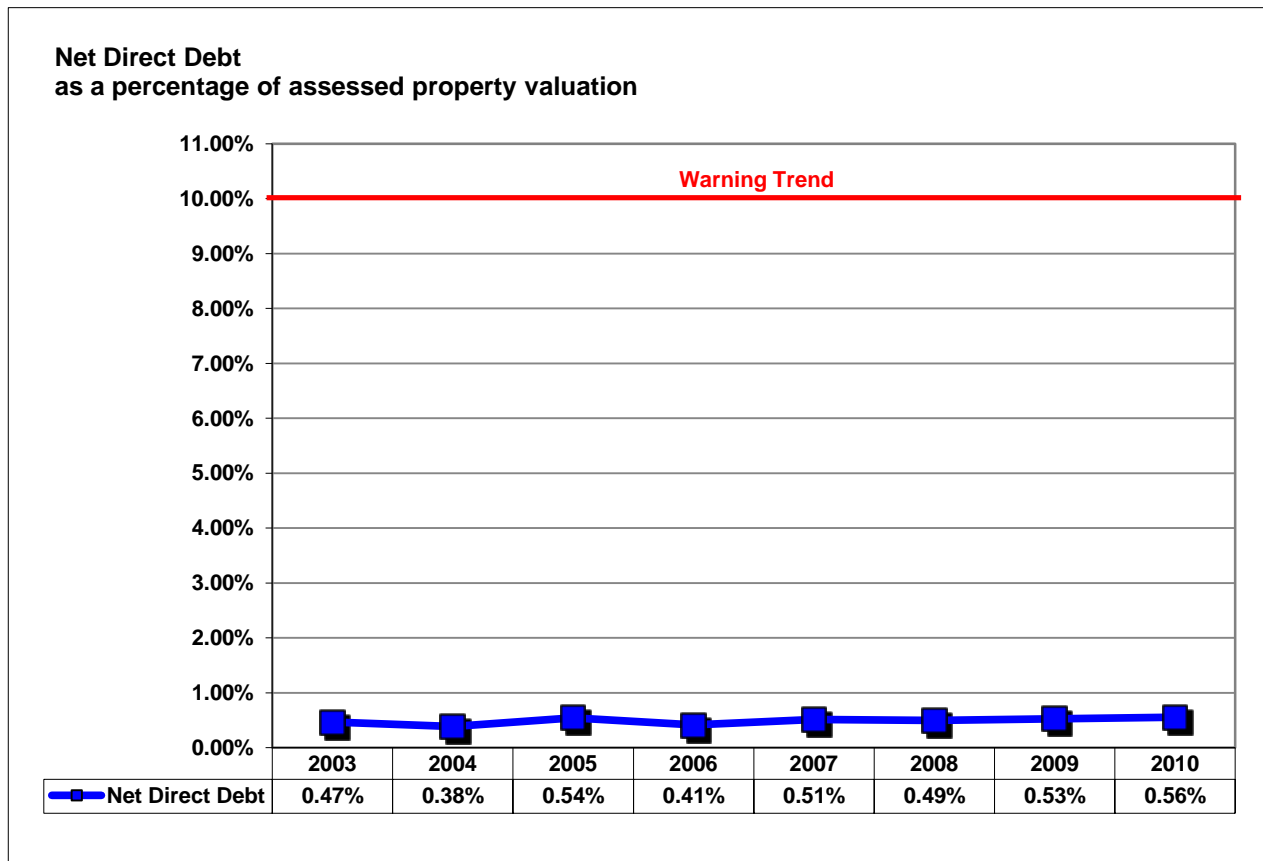
Brevard County's intergovernmental revenues for the General and Special Revenue Funds have remained positive during the period analyzed. The majority of the revenue collected under this classification includes: for General Funds, State Shared Revenues and the Local Half-Cent Sales Tax; for Special Revenues Funds, State Library Aid, Housing and Community Development Grants, and the County Gas Tax and Constitutional Gas Tax.

The significant increase in General Fund intergovernmental revenues in 2005 is primarily due to the receipt of Federal and State reimbursements associated with damage from multiple hurricanes in 2004. The decline in 2006 reflects a return to non-hurricane reimbursement levels of funding.

The State of Florida, during the 2000 Legislative Session, eliminated the intangibles tax as a source of State Revenue Sharing. Beginning in FY 2000-2001, the majority of revenues from the declining State Revenue Sharing are based on a share of the State's sales tax. The State Shared Revenue continues to be monitored since this change.

Implementation of Article V, Revision 7 of the Florida Constitution occurred July 1, 2004. This Constitutional amendment implements a redistribution of Court costs between the State and County. While the State is assuming additional Courts expenses, it is also taking Court-generated revenues.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: Net Direct Debt (General Obligation Bonds) Divided By Assessed Property Valuation

Source: Brevard County Comprehensive Annual Financial Reports, 2003 through 2010

Analysis:

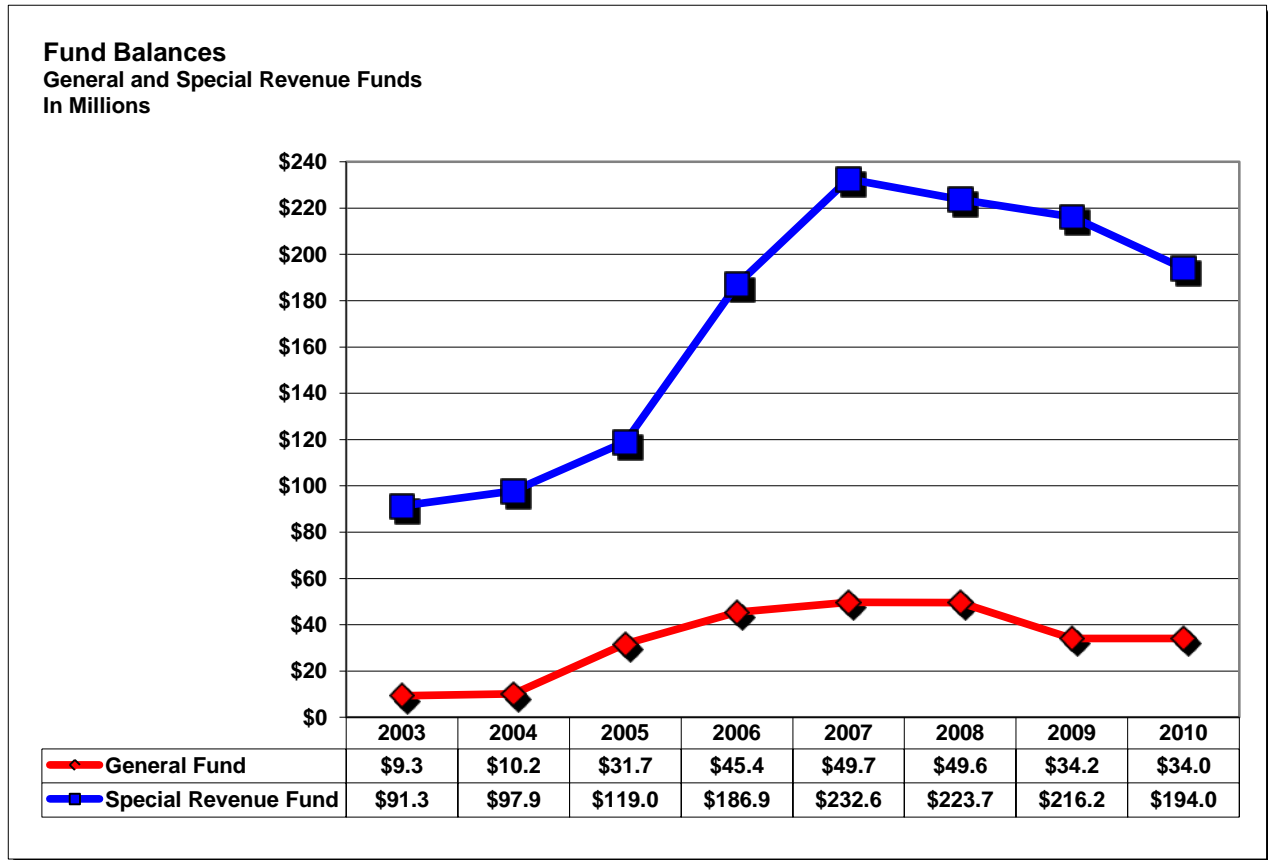
Increasing debt service reduces expenditure flexibility by adding to the government's obligations. Debt service can be a major portion of the government's fixed cost, and excessive increases may indicate too much debt and fiscal strain. According to the International City/County Management Association (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%.

Direct long-term debt, also known as General Obligation Bonds (Net Direct Debt), includes debt for which Brevard County has pledged its full faith and credit, including Ad Valorem tax revenue. The following projects, all approved by a referendum of the voters, are financed with General Obligation Bonds debt proceeds:

1. Construction and Renovation of Recreation Facilities
2. Construction of Court and Governmental Facilities
3. Environmental Endangered Lands Program

The increase in Net Direct Debt from 2004 to 2005 are due to the Parks and Recreation referendum for new construction and maintenance in North Brevard, Merritt Island, and South Brevard, approved by the voters of Brevard County in November 2000, and the Environmentally Endangered Lands referendum for the purchase of lands throughout Brevard County, approved by the voters of Brevard County in November 2004.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: Fund Balances

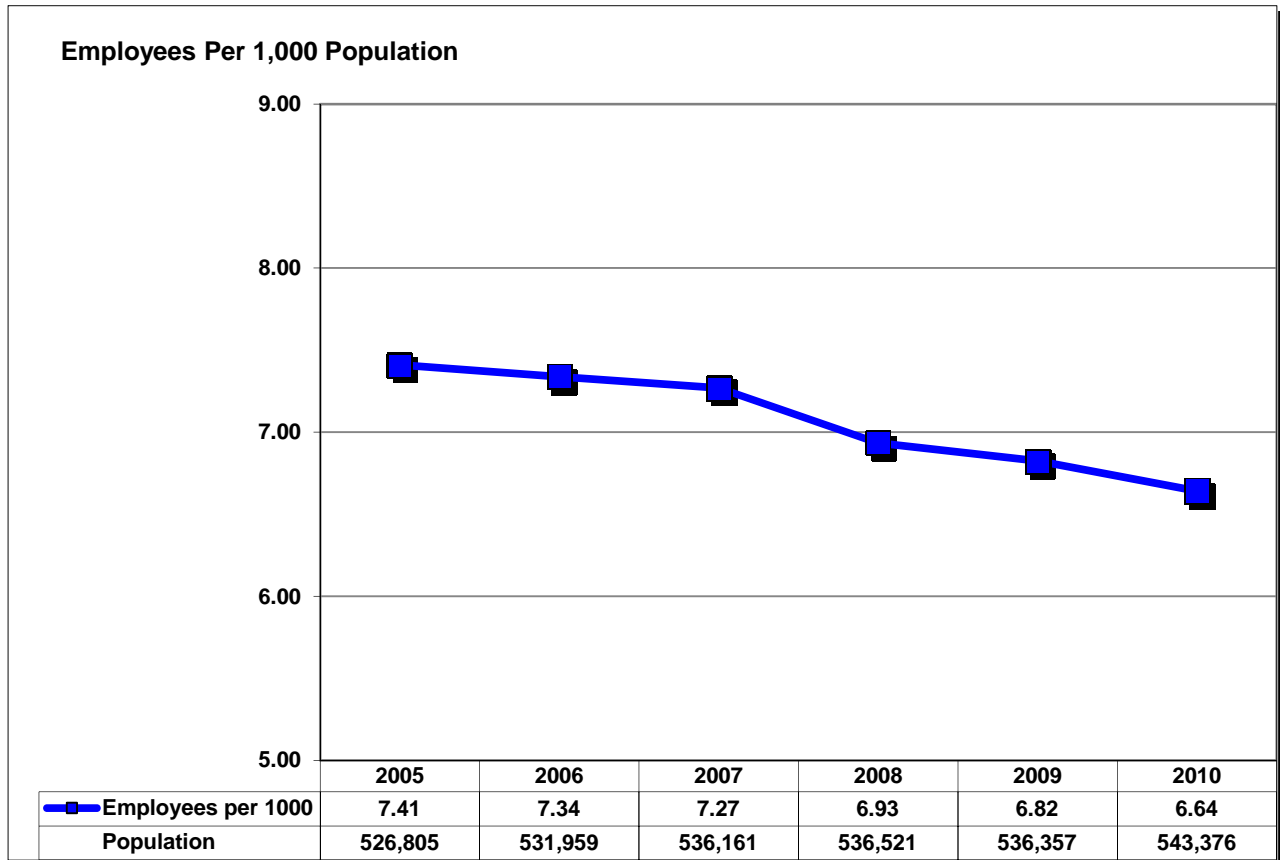
Source: Brevard County Comprehensive Annual Financial Reports, 2003 through 2010

Analysis:

The unreserved fund balance for the General Fund was \$34,031,711 on October 1, 2010, or 14.65% 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. The County realizes the importance of maintaining the fund balance within recommended guidelines and has exceeded last year's goal of 10% of General Fund operating revenues. This is to be reviewed annually as the County will strive to maintain a strong unreserved fund balance. A major portion of the unreserved fund balance is expended early in the subsequent fiscal year before ad valorem tax revenue collections begin.

The aggregate fund balance of Special Revenue funds will fluctuate within a wider range because a number of the more significant Special Revenue funds involve major construction projects. As the activity level of these projects increases or decreases, so will fund balances.

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES



Formula: Number Of Employees Divided By 1000 Citizens

Source: Number Of Employees As Of October 1, Including:
 Board Agencies
 Sheriff's Office
 Supervisor of Elections Office
 Court Operations

Analysis:

Because employee costs are a major portion of the total cost of County government, analyzing changes in the number of employees per 1,000 population is a good way to track changes in expenditures. An increase in employees per 1,000 population might indicate that expenditures are rising, the government may be becoming labor intensive, or personnel productivity is declining.

However, during this same period, the County has reduced positions in other areas such as general governmental services, administrative and managerial positions, and internal service agencies. The decrease from 2005 to 2009 represents decreases in positions, including layoffs of existing employees, associated with tax rate reductions.

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 58.9% of the County's estimated total operating revenues for FY 2011-2012

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 (previously that information was provided by the Legislative Council on Intergovernmental Relations, which ceased operations in June 2010) 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

Revenue Source	FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012
	Actual Collections	Actual Collections	Actual Collections	Actual Collections	Actual Collections	Collections To Date*	Adopted Budget
Property Taxes	\$210,423,491	\$240,185,700	\$237,666,088	\$221,711,577	\$193,121,708	\$192,192,463	\$187,449,767
State Shared Revenues	\$10,421,063	\$9,942,262	\$9,038,034	\$8,028,614	\$8,192,816	\$8,398,553	\$8,241,062
Local Half-Cent Sales Tax	\$24,622,156	\$22,644,094	\$20,873,214	\$19,382,661	\$19,108,808	\$19,462,164	\$20,012,014
Franchise Fees & Comm Svc Tax	\$24,726,195	\$25,092,675	\$25,023,433	\$24,239,238	\$22,336,079	\$21,399,649	\$22,040,525
Building Permits	\$4,199,101	\$3,100,178	\$2,472,270	\$2,094,594	\$1,680,299	\$1,663,942	\$1,552,644
County Gas Tax	\$2,943,189	\$2,888,253	\$2,745,205	\$2,636,788	\$2,618,286	\$2,657,028	\$2,660,000
Constitutional Gas Tax	\$5,647,092	\$5,679,062	\$5,449,799	\$5,316,556	\$5,253,028	\$5,245,527	\$5,342,296
Local Option Gas Tax	\$7,540,590	\$7,672,914	\$7,177,345	\$7,187,117	\$7,163,994	\$6,526,978	\$6,935,000
Tourist Development Tax	\$8,511,892	\$8,721,852	\$8,513,468	\$8,001,683	\$7,925,866	\$8,971,197	\$7,089,714
Water/Wastewater Fees	\$25,934,377	\$26,452,396	\$27,723,598	\$29,283,837	\$29,248,497	\$29,713,860	\$30,900,000
Solid Waste Disposal Fees	\$21,915,729	\$22,639,484	\$23,555,944	\$23,256,773	\$23,164,535	\$22,860,281	\$22,538,988
Total Revenue	\$346,884,875	\$375,018,869	\$370,238,398	\$351,139,439	\$319,813,917	\$319,091,643	\$314,762,010

* Unaudited Collections as of the date of publication

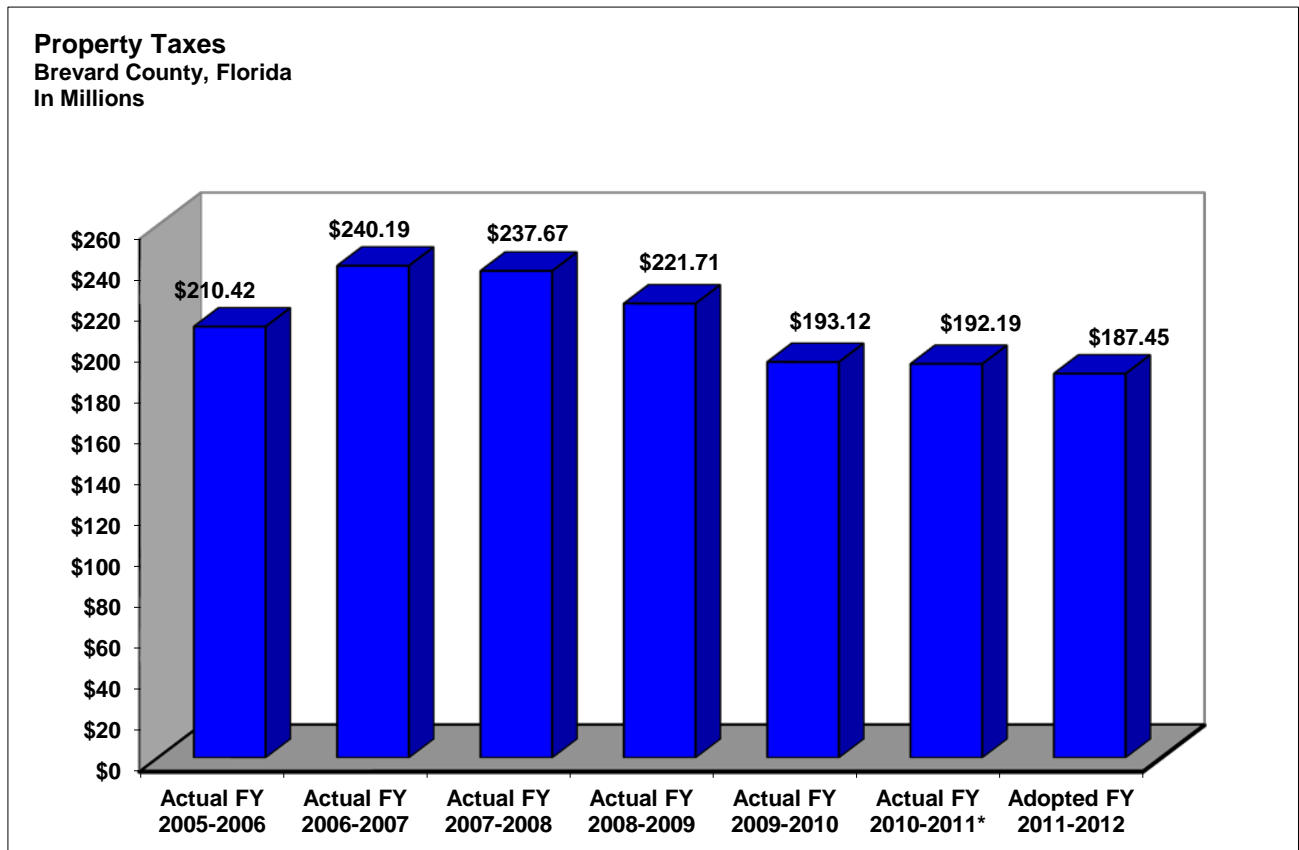
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

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, Animal Protection Services, , Clerk of Courts and Court Services, Country Acres, 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 four operating and debt service voter-approved property taxes countywide in support of the Environmentally Endangered Lands program.

Final Property tax collections in FY 2010-2011 totaled \$197.8 million. Budgeted Property tax collections for FY 2011-2012 are estimated at \$187.4 million. This represents a decrease of \$10.4 million or 5.55% from the County's FY 2010-2011 collections, primarily due to a reduction in the anticipated collections of the General Fund, the South Brevard Special Recreation District, and the Environmentally Endangered Lands, 1991 millages.



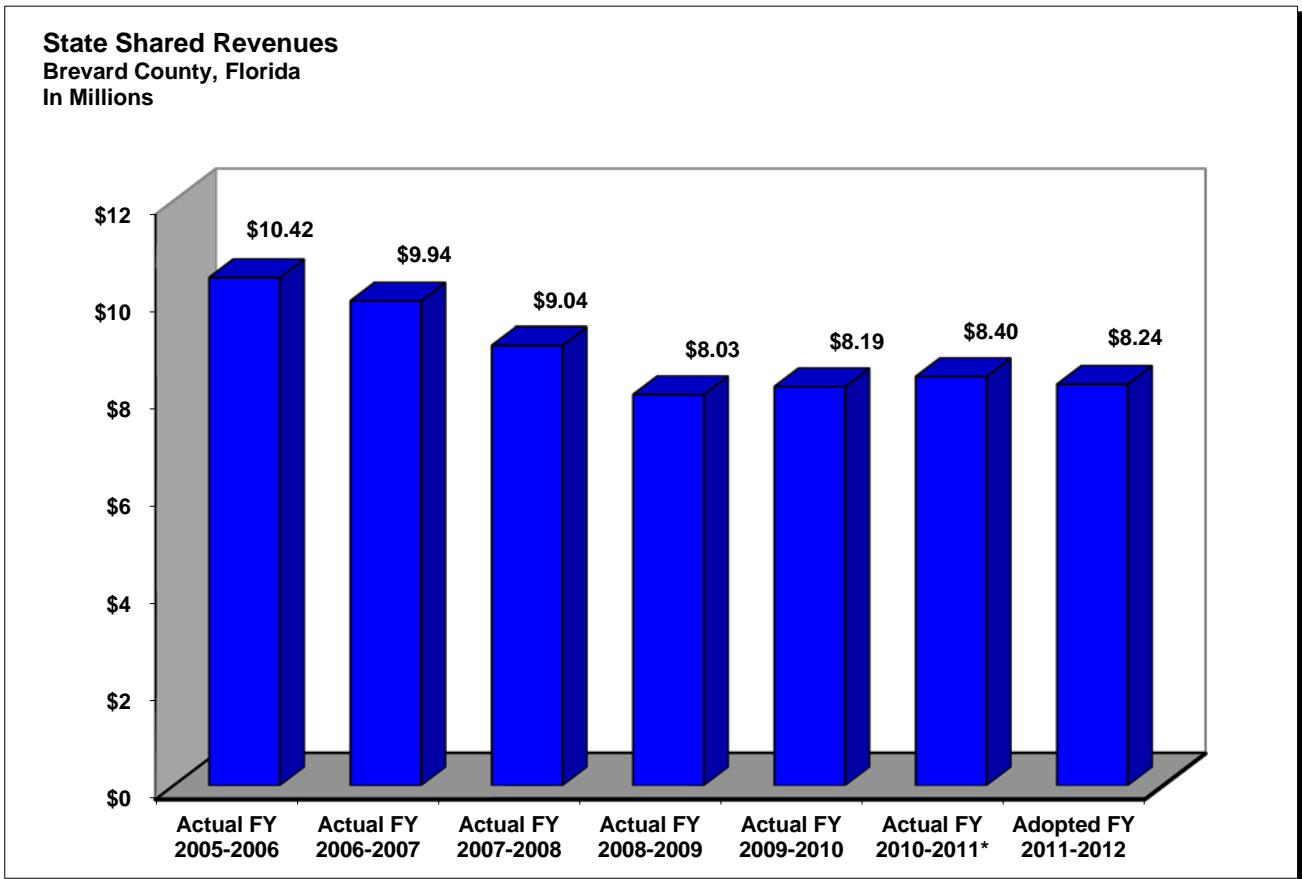
*Unaudited

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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 2.25% 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 2009-2010 were \$8,192,816. The final collections for FY 2010-2011 are estimated at \$7,664,699, and the Adopted Budget for FY 2011-2012 is \$8,241,662 based on State estimates.



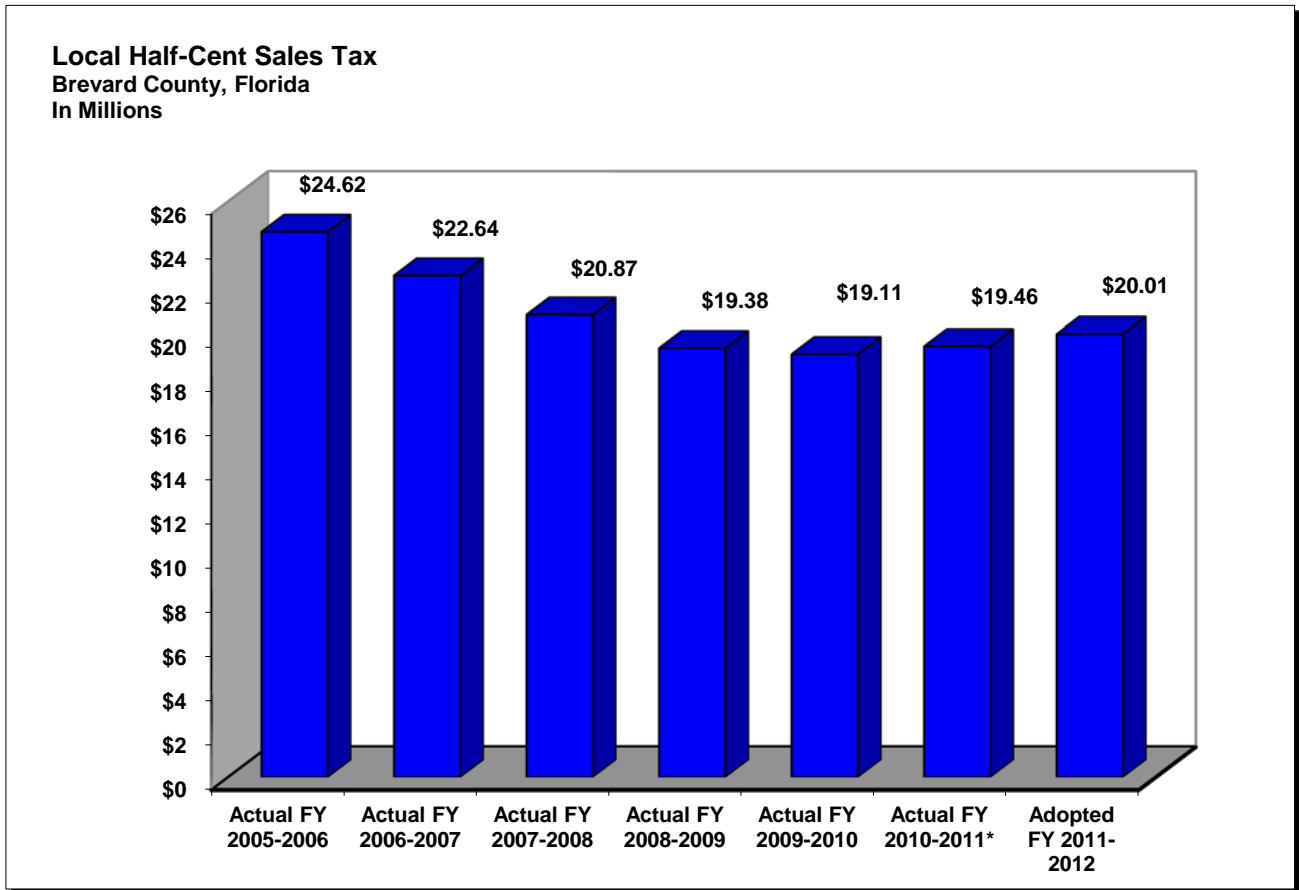
*Unaudited

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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 2009-2010 were \$19,108,808. For FY 2010-2011 the estimated final collections are \$19,462,164 and the FY 2011-2012 budgeted amount is \$20,012,014.



*Unaudited

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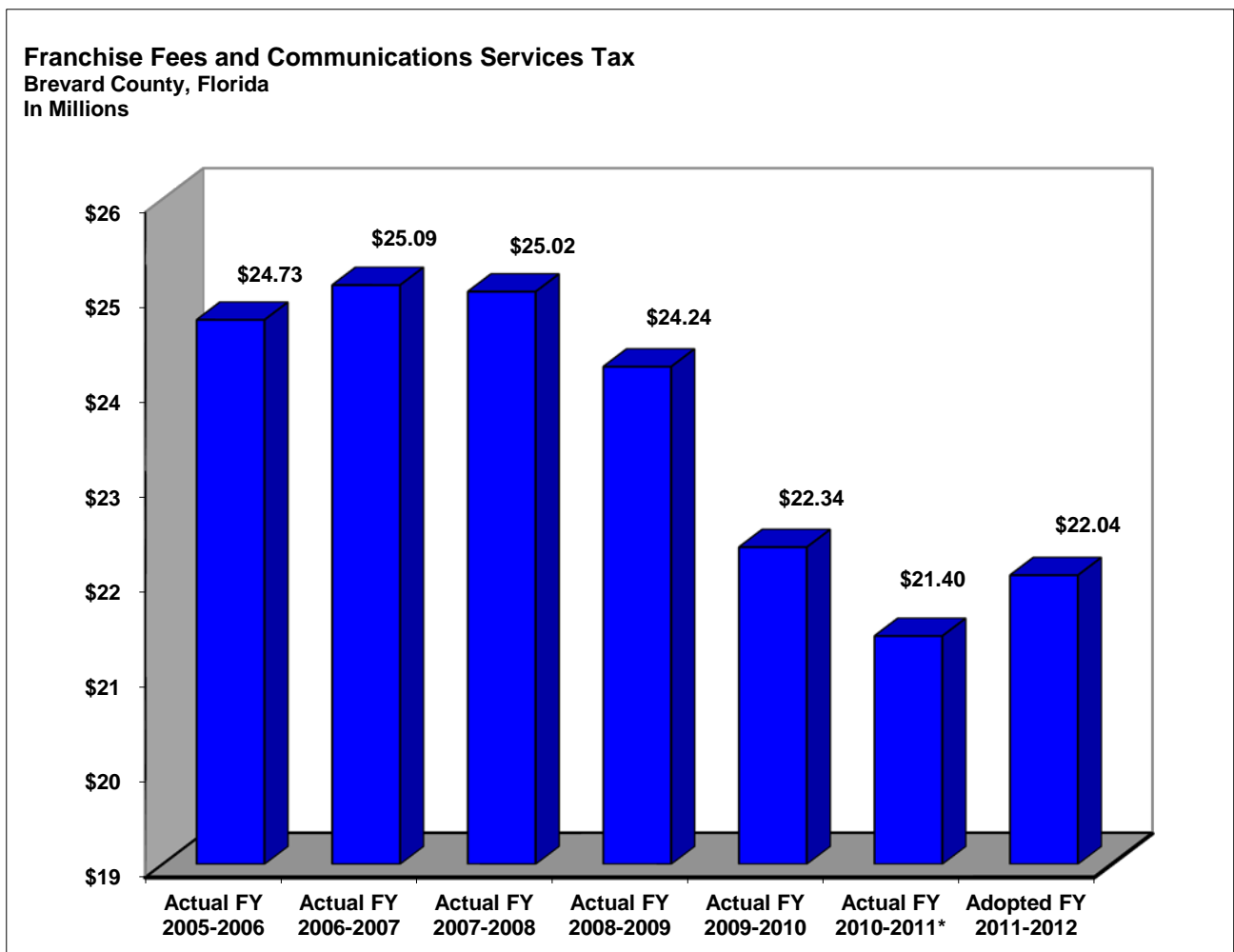
Franchise Fees and Communications Services Tax

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.

On October 1 2001, the State Communications Services Tax became effective. Brevard County no longer collects the Cable Television franchise fees; the Department of Revenue collects the tax and returns a percentage back to the County, together with telecommunications companies, and set the rate at 1.66% through August 2004. Beginning January 2005 the rate was set at 5.22%, comparable with surrounding counties and municipalities.

The County's actual receipts from Franchise fee revenues for the FY 2009-2010 were \$22,336,079. For FY 2010-2011 the estimated final collections are \$22,336,079 and the FY 2011-2012 budgeted amount is \$22,040,525, a decrease from the previous year due to lower power consumption by the customers of FPL.



*Unaudited

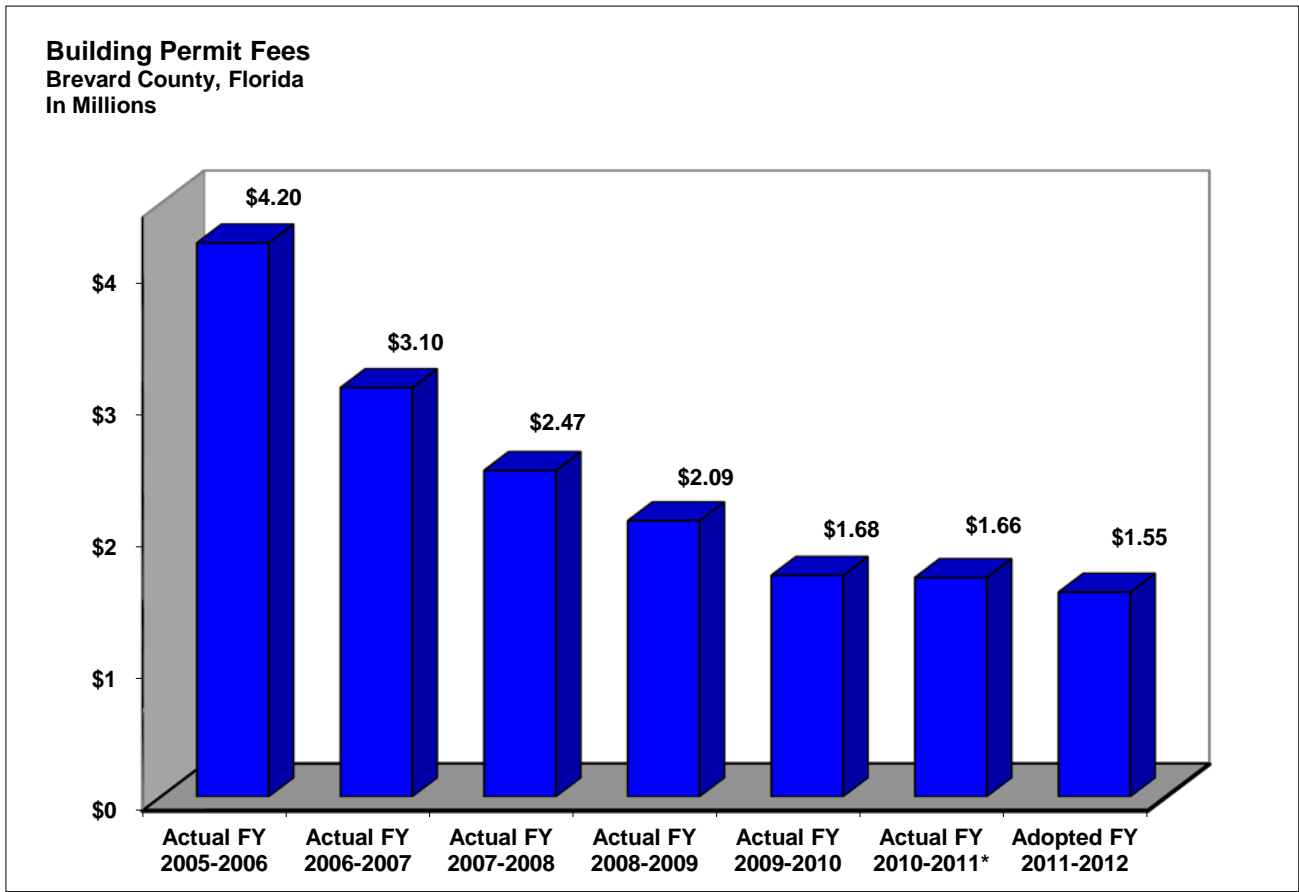
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Building Permit Fees

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 the population 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 2009-2010 were \$1,680,299. For FY 2010-2011 the estimated final collections are \$1,663,942 and the FY 2011-2012 budgeted amount is \$1,552,644. This slight increase is associated with the continued change in the housing and real estate markets.



*Unaudited

FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

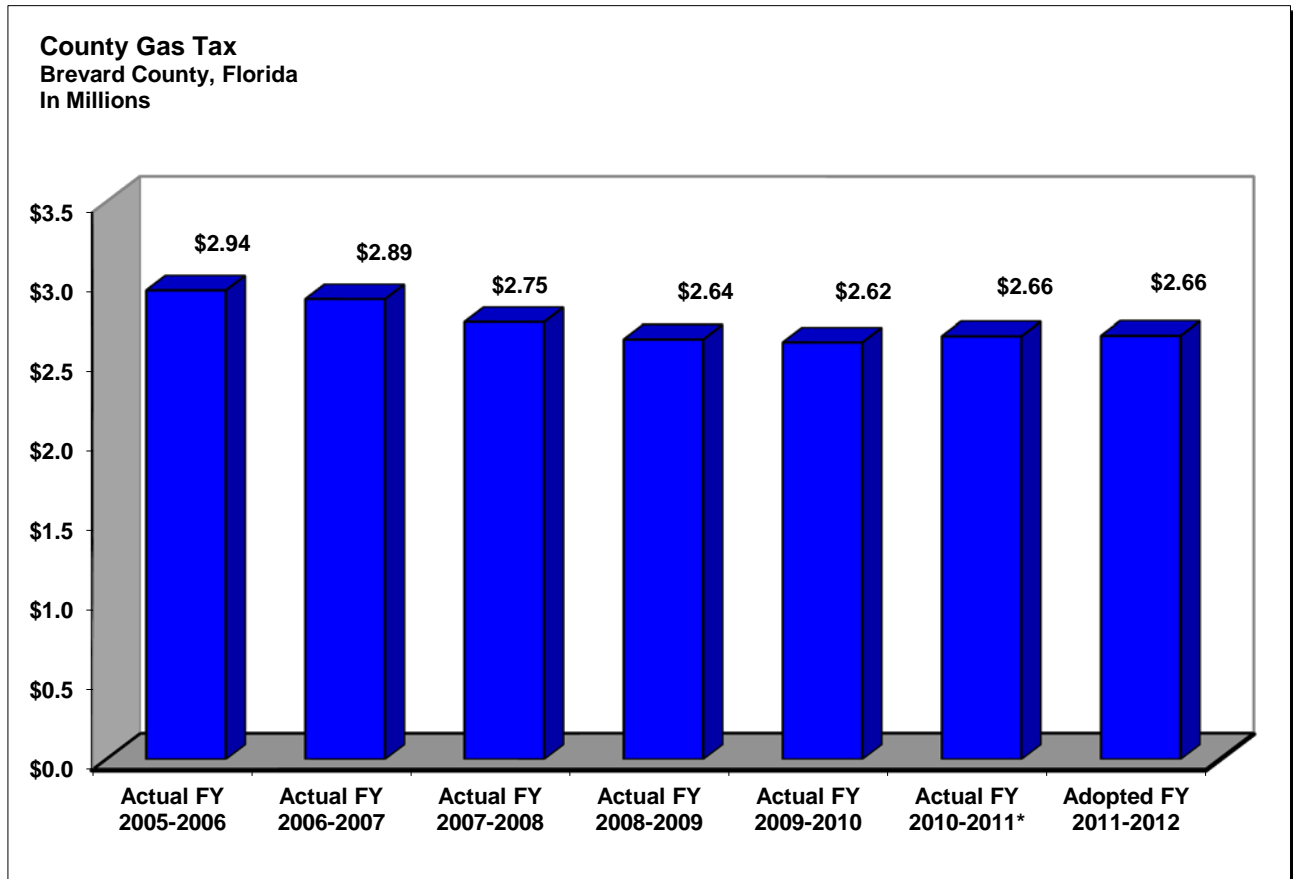
Gas Taxes

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. The Legislative Council on Intergovernmental Relations (LCIR) estimates gas tax collections for all Florida counties. 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 2009-2010 were \$2,618,286. For FY 2010-2011 the estimated final collections are \$2,660,000 and the FY 2011-2012 budgeted amount is \$2,660,000.



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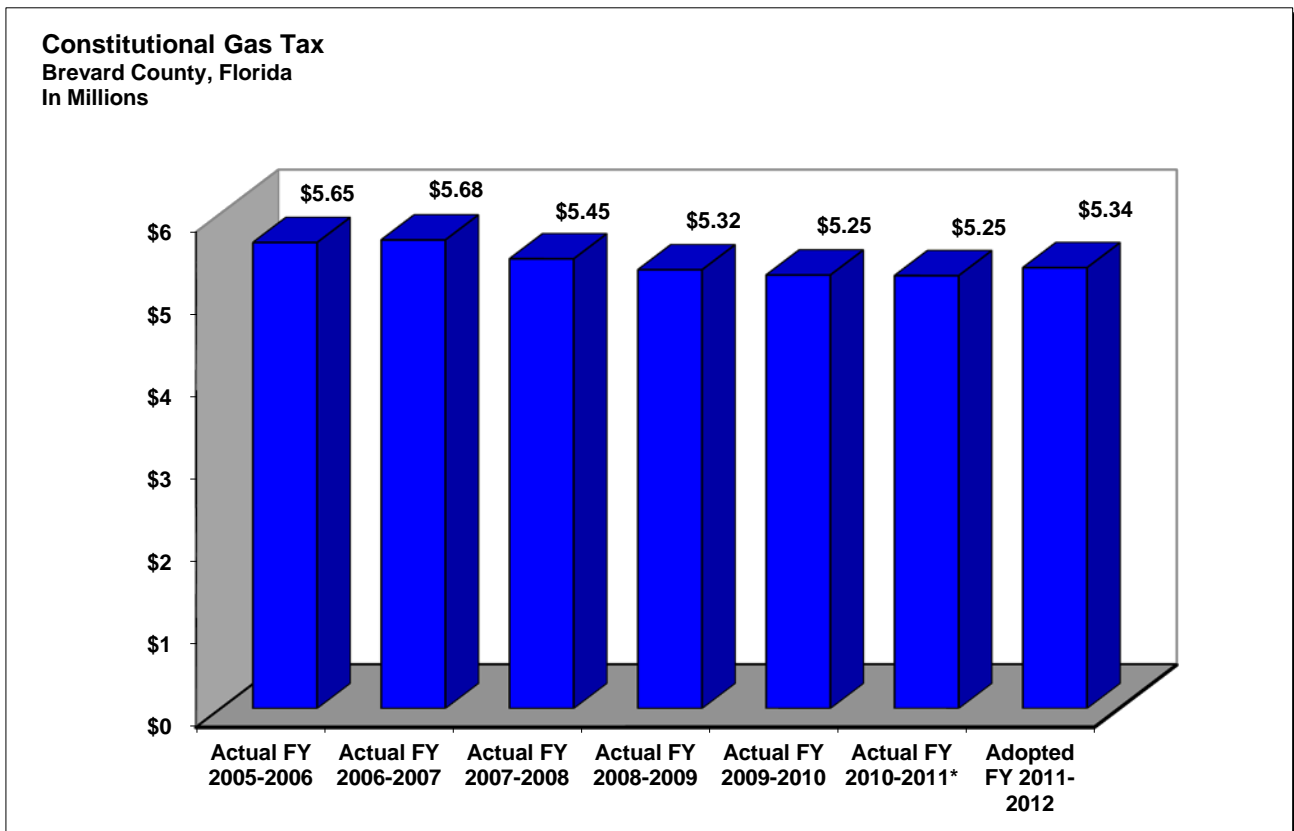
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

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 \$3,120,788 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 2009-2010 were \$5,253,028 For FY 2010-2011 the estimated final collections are \$5,342,296 and the FY 2011-2012 budgeted amount is \$5,342,296.



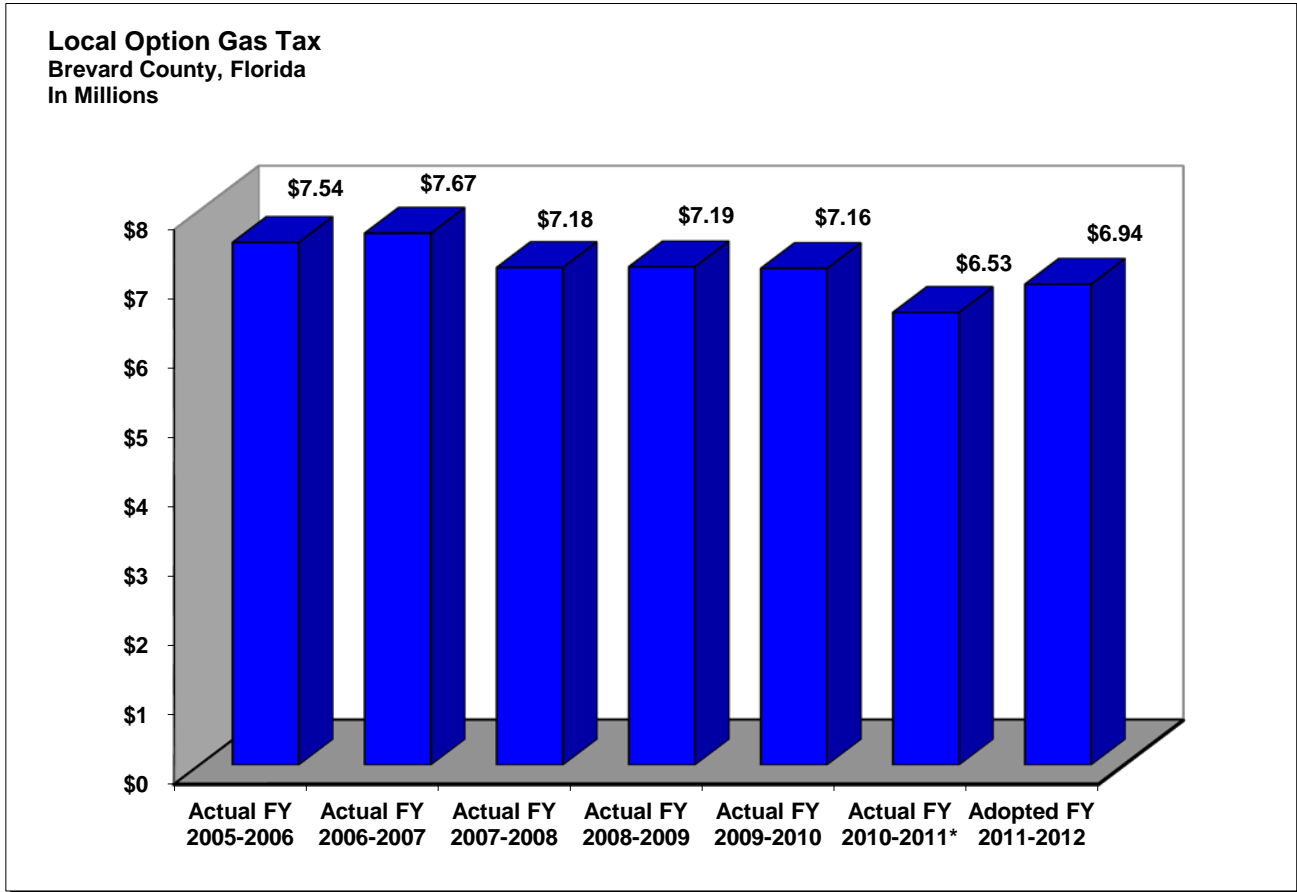
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FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

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 2009-2010 were \$7,163,994. For FY 2010-2011 the estimated final collections are \$6,935,000 and the FY 2011-2012 budgeted amount is \$6,935,000.



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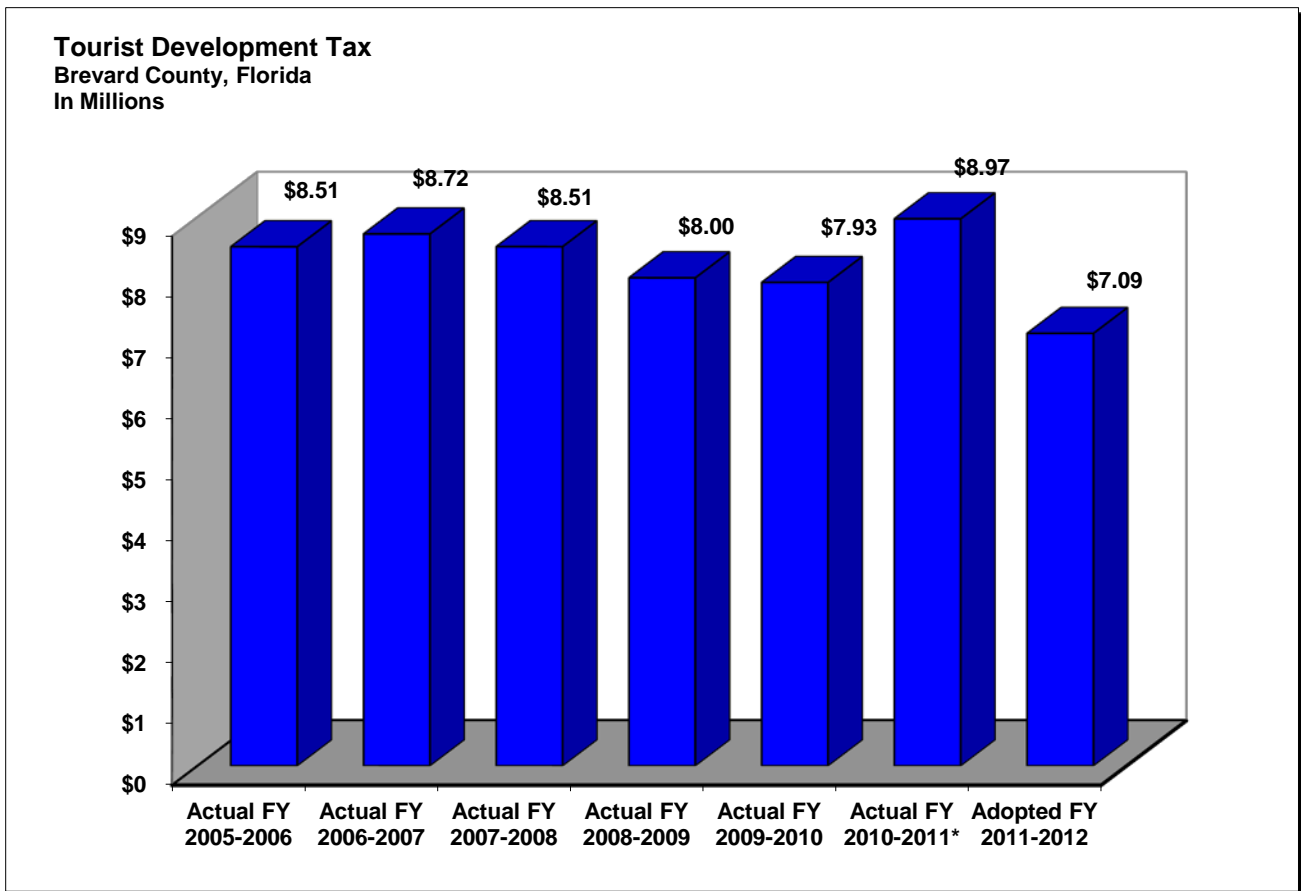
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

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 fourth cent of this tax is pledged for the debt service payments averaging \$764,000 annually through FY 2012-2013 for the Fourth Cent Tourist Development Revenue Refunding Bonds, Series 2001. The proceeds of this bond issue were used to construct the Space Coast Baseball Stadium.

The County's actual receipts from Tourist Development Tax revenue for the FY 2009-2010 were \$7,925,866. For FY 2010-2011 the estimated final collections are \$7,089,695 and the FY 2011-2012 budgeted amount is \$7,089,695.



*Unaudited

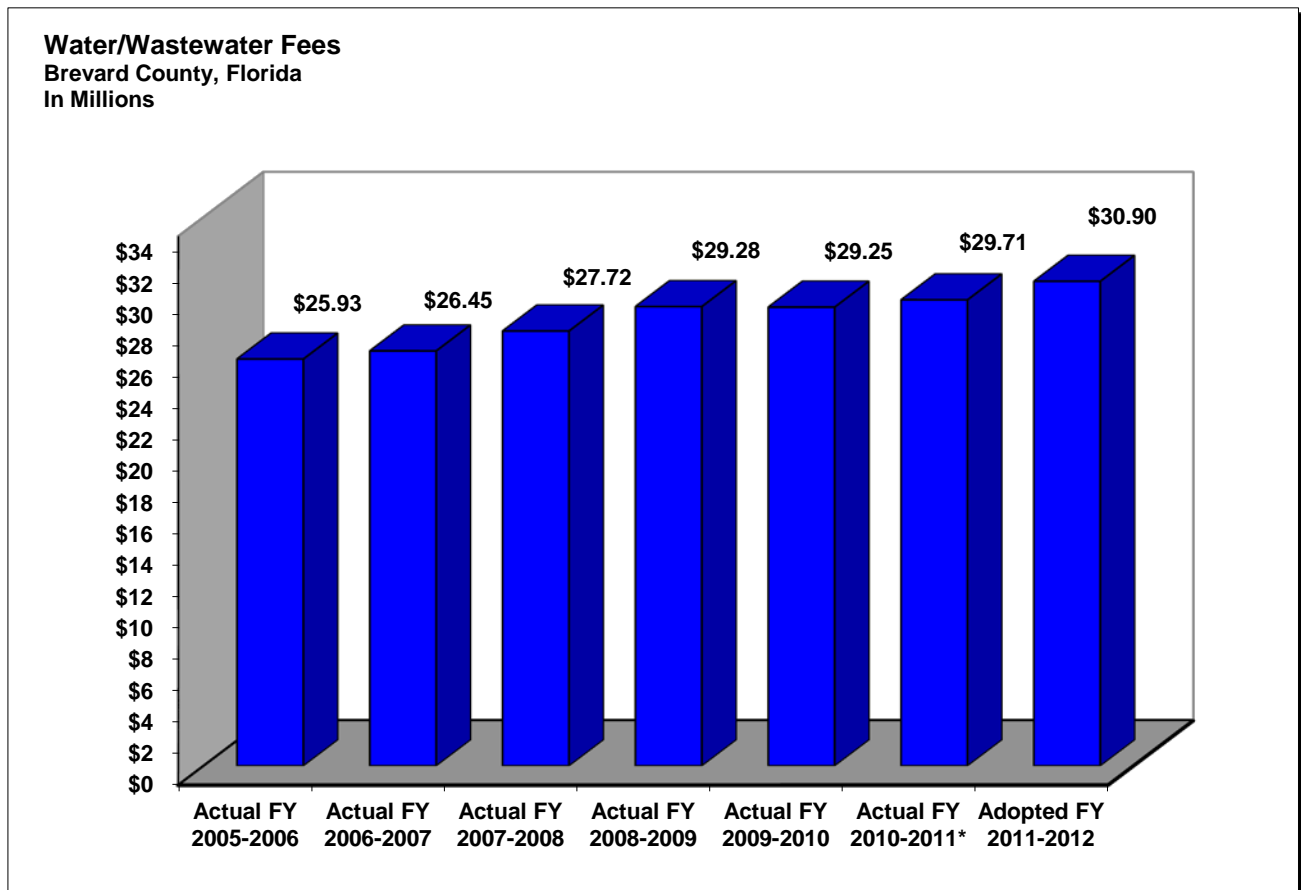
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

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 5% increase was implemented for Water/Wastewater rates effective October 1, 2007.

The County's actual receipts from Water/Wastewater fee revenue for the FY 2009-2010 were \$29,248,497. For FY 2010-2011 the estimated final collections are \$29,355,000 and the FY 2011-2012 budgeted amount is \$30,900,000.



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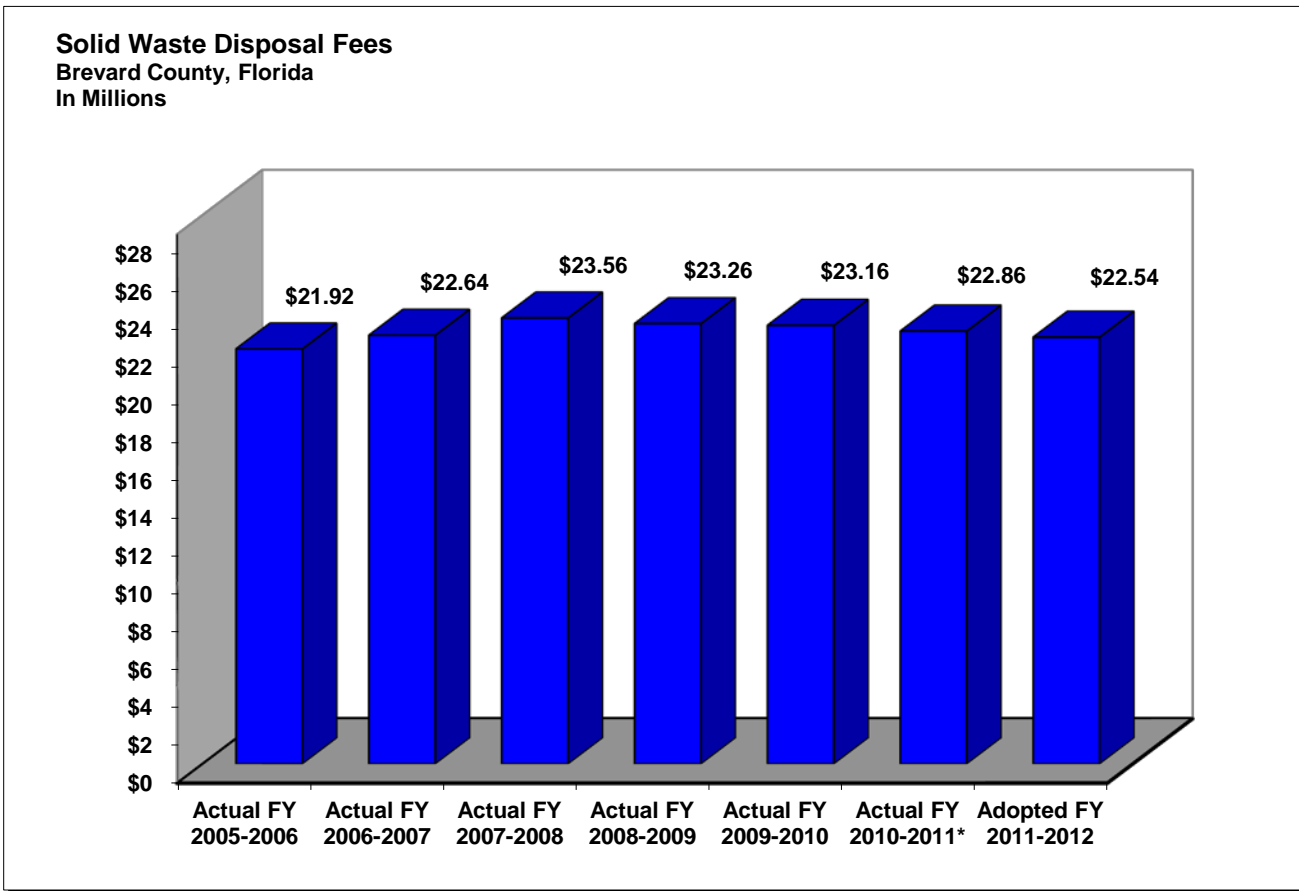
FINANCIAL INDICATORS AND MAJOR REVENUE SOURCES

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 1999-2000 through 2004-2005; in FY 2005-2006, the assessment was increased \$1.00 per solid waste billing unit.

The County's actual receipts from Solid Waste disposal fee revenue for the FY 2009-2010 were \$23,164,535. For FY 2010-2011 the estimated final collections are \$22,875,491 and the FY 2011-2012 budgeted amount is \$22,538,988.



*Unaudited