

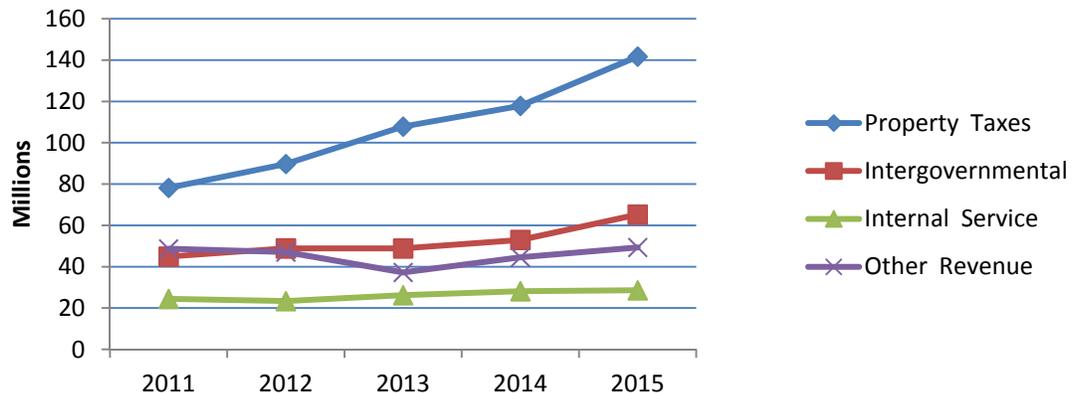
MAJOR REVENUE HISTORICAL TRENDS AND ANALYSIS

<i>DESCRIPTION</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Property Taxes	\$ 78,195,961	\$ 89,713,452	\$ 107,816,616	\$ 117,873,505	\$ 141,724,346
Other Taxes	7,613,371	9,934,961	8,310,000	9,450,000	11,600,000
Fees	9,445,288	9,389,307	8,777,422	9,975,250	10,353,400
Intergovernmental	44,888,187	48,878,851	48,851,520	52,977,866	65,272,311
Licenses/Permits	2,093,316	2,968,095	2,866,875	3,450,225	4,721,600
Charges for Services	6,899,382	7,741,896	5,800,931	8,242,560	9,103,378
Internal Services	24,439,880	23,341,642	26,221,780	28,166,292	28,596,336
Paramedic Fees	6,803,592	1,667,980	0	0	0
Miscellaneous	15,838,807	15,369,437	11,518,124	13,450,439	13,581,877
TOTAL REVENUES	<u>\$ 196,217,784</u>	<u>\$ 209,005,621</u>	<u>\$ 220,163,268</u>	<u>\$ 243,586,137</u>	<u>\$ 284,953,248</u>

TREND ANALYSIS

Where appropriate, the local economic conditions and forward-looking economic indicators have been noted and taken into account in forecasting revenue trends.

MAJOR REVENUE TRENDS

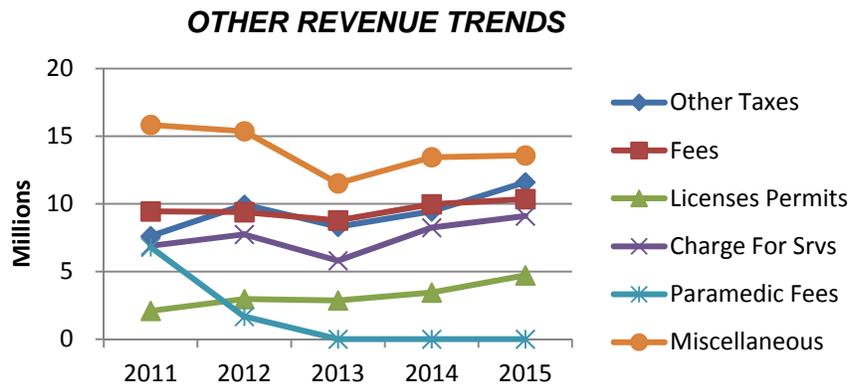


Property Tax: Increases will track with the Home Rule Charter and TABOR tax limitations, which are growth in actual property value, plus cost-of-living. Although little increase in assessed value growth is anticipated due to the slow recovery in construction activity, the assessed value is anticipated to grow significantly due to increased energy prices and new exploration in Weld County. Oil and gas values accounts for over three-fifths of the county's assessed valuation and the changes in commodity prices contributes to the big fluctuations in property taxes from year to year. Excitement related to exploration of the Niobrara shale formation in northern Weld County remains high, driving several significant job-creating projects in Weld County and more energy production that will add to the county's assessed valuation in future years.

Intergovernmental: State and federal revenues have grown little the last five years with state funded programs impacted by the state budget reductions due to the recovering economy and the federal budget cuts due to sequestration and deficit reduction measures. The drop in 2012 is due to transferring the Supplemental Foods program to the Weld Food Bank, and the end of the five year Building Healthy Marriages Grant. The 2013 revenue was stable due the increased Child Welfare allocation and the return of State of Colorado Energy Impact Assistance grants. As cited earlier in December 2013, Congress approved a spending plan that would fund the federal government for two years. The plan modifies the sequestration cuts by increasing spending \$45 billion and \$20 billion in Federal FYs 2013-14 and 2014-15, respectively, over current law levels. In addition, Congress approved a suspension of the debt limit through March 15, 2015. When the debt limit suspension ends, the debt limit will automatically increase to reflect the amount of borrowing that occurred since the last debt limit. We can anticipate moderation in non-defense discretionary spending and some spending cuts in entitlements. Spending and revenue imbalances at the state and federal levels will most likely result in lower or at best slower growth in intergovernmental revenues for the county in the future.

The 2015 budget shows a jump in intergovernmental revenues due to the grant projects in Public Works Fund associated with state Energy Impact Assistance grants, and flood recovery and mitigation projects from the September, 2013 epic flood. Many of these grants are one-time and will be dropped after 2015.

Internal Services: Predictable revenue based on stable usage. Health insurance costs in the self-insured are slowing, so the increases in this area over the next five years should be more moderate. For example there will be no health insurance rate increase in 2015.



Other Taxes: Primarily, specific ownership taxes that track car registrations and severance tax. Increase trend is due to new formula for the direct distribution of severance tax to cities and counties from the state. Severance tax revenues follow the price of oil and gas, since that is where they are derived.

Fees: Fees have been increased and new fees added. New legislation increased 2011 Clerk and Recorder fees. Increased oil and gas recording activity in the county is resulting in higher projected revenues in this area over the next few years. Fees from vehicle registration should increase as vehicle sales are projected to continue to increase as the economy improves. Planning fees are starting to improve as the economy recovers and some construction activity returns, as well as, activity from oil and gas infrastructure development and drilling activity.

Licenses/Permits: As cited in the *Revenue Assumption* section earlier, some recovery of construction is beginning to be seen. Despite the low activity in residential building in the unincorporated part of the County some factors pointing towards an uptick in activity as rental vacancy rates are low and housing listing inventories are low. The investment in the oil and gas

infrastructure is anticipated to continue for the next few years. The combination of all activities point to higher inspection and permit fee revenues in the near future. The trend for the next five years should be a gradual increase only.

Charges for Services: Revenue is predictable based on contracts for service and reimbursable projects.

Paramedic Fees: Effective May 7, 2012, Weld County transferred the operational and financial responsibility to NCMC, Inc. and Banner Health. Therefore, this operation's revenue will not be in future budgets.

Miscellaneous: Revenue predictable, even though some variation in specific years. Interest revenue is found in this category. Public Works contracts are up due to reimbursable road projects in 2015. Fines from traffic violations remain down, which follows a national trend. Oil and gas royalty payments were up substantially the last three years, but should moderate in the coming five years as bonus amounts drop. The policy decision to charge Social Services the full amount of indirect costs raised this category over \$1 million in 2013, and will continue in future years.