

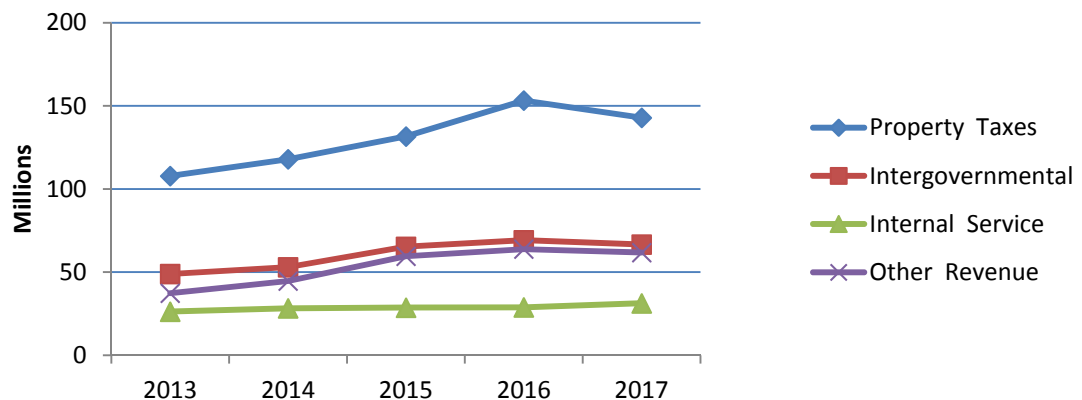
## MAJOR REVENUE HISTORICAL TRENDS AND ANALYSIS

<b>DESCRIPTION</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Property Taxes	\$ 107,816,616	\$ 117,873,505	\$ 141,724,346	\$ 153,213,068	\$ 141,946,827
Other Taxes	8,310,000	9,450,000	11,600,000	11,710,000	11,830,000
Fees	8,777,422	9,975,250	10,353,400	10,376,690	11,148,250
Intergovernmental	48,851,520	52,977,866	65,272,311	69,192,838	67,305,192
Licenses/Permits	2,866,875	3,450,225	4,721,600	6,061,000	5,437,350
Charges for Services	5,800,931	8,242,560	9,103,378	8,910,798	8,898,159
Proprietary Services	26,221,780	28,166,292	28,596,336	28,764,247	31,383,694
Miscellaneous	11,518,124	13,450,439	13,581,877	26,746,798	23,989,103
<b>TOTAL REVENUES</b>	<b>\$ 220,163,268</b>	<b>\$ 243,586,137</b>	<b>\$ 284,953,248</b>	<b>\$ 314,975,439</b>	<b>\$ 301,938,575</b>

### 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

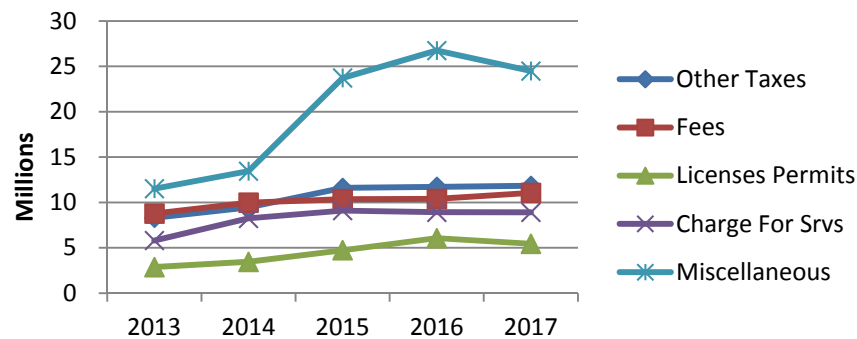


**Property Tax:** Increases will track with the Home Rule Charter and TABOR tax limitations, which are growth in actual property value, plus cost-of-living. As has been the case for the last five to six years growth and development activity directly, or indirectly, related to oil and gas exploration seems to be the main influence on the grow of the property tax base in the county. The volatility of the oil and gas assessed values continues to be a major impact to the County's budget planning the last six years. For the 2016 budget, the growth in the county's assessed value from oil and gas values exceeded 27%. Oil and gas assessed valuation are close to two-thirds of the county's total assessed valuation. Since November, 2014, due to the oversupply of oil worldwide the price of oil has dropped from over \$100 a barrel to the price range of \$40-50 per barrel. With the volatility of production levels and price fluctuations of the oil and gas values, the county must continue to prudently manage the property tax base created by the energy development and be prepared for a significant drop in the assessed valuation for 2017 and 2018 the county will be facing. The 2017 property tax level is slightly above 2015 level.

**Intergovernmental:** State and federal revenues increased in 2014 due the increased Child Welfare allocation and the return of State of Colorado Energy Impact Assistance grants. The significant jump of over 20% in 2015 was attributed primarily to the increased state and federal funding for Public Works projects, many associated with the recovery efforts from the September, 2013 epic flooding. The higher funding level continued into 2016 with Public Works projects including \$4.5 million for WCR 49 and four major bridge replacement projects. Many of these grants are one-time and will be dropped after 2016. 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.

**Proprietary 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 2017 for the third year in a row, but participation in the insurance plan is up some.

### OTHER REVENUE TRENDS



**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 in 2012 increased 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 growing significantly as the economy recovers and 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, there is stronger recovery of construction in the county. 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. Although the investment in the oil and gas infrastructure is anticipated to continue for the next few years even with lower oil prices there has been a slowdown in drilling activity, which lowers building permit revenue. The combination of all these factors point to lower inspection and permit fee revenues in 2017. Hopefully as the price of oil improves there will be more activity in 2018 and beyond.

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

***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 2016-2017. Fines from traffic violations are projected to be up slightly in 2017. Oil and gas royalty payments were up substantially the last three years, but should moderate in the coming five years as bonus amounts drop and oil price stabilize. The policy decision to charge Social Services the full amount of indirect costs raised this category to \$6.8 million in 2017.