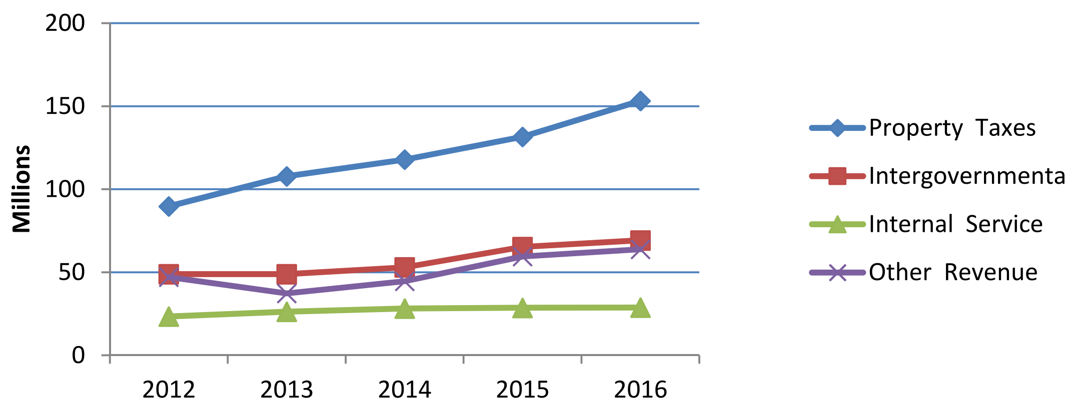
MAJOR REVENUE HISTORICAL TRENDS AND ANALYSIS

DESCRIPTION	2012	2013	2014	2015	2016
Property Taxes	$ 89,713,452	$ 107,816,616	$ 117,873,505	$ 141,724,346	$ 153,213,068
Other Taxes	9,934,961	8,310,000	9,450,000	11,600,000	11,710,000
Fees	9,389,307	8,777,422	9,975,250	10,353,400	10,376,690
Intergovernmental	48,878,851	48,851,520	52,977,866	65,272,311	69,192,838
Licenses/Permits	2,968,095	2,866,875	3,450,225	4,721,600	6,061,000
Charges for Services	7,741,896	5,800,931	8,242,560	9,103,378	8,910,798
Internal Services	23,341,642	26,221,780	28,166,292	28,596,336	28,764,247
Paramedic Fees	1,667,980	0	0	0	0
Miscellaneous	15,369,437	11,518,124	13,450,439	13,581,877	26,746,798
TOTAL REVENUES	$ 209,005,621	$ 220,163,268	$ 243,586,137	$ 284,953,248	$ 314,975,439

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

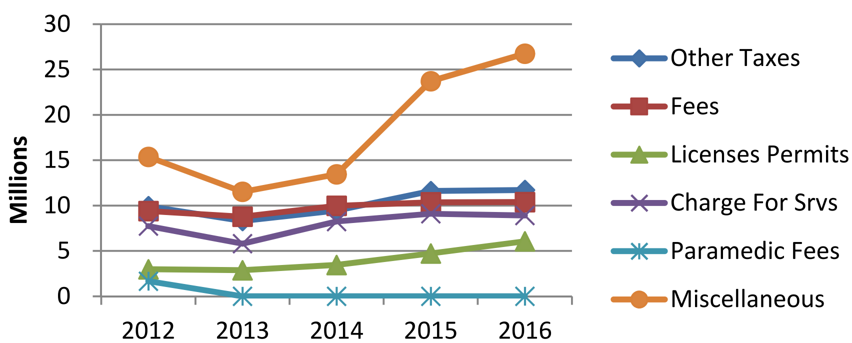


Property Tax: Increases will track with the Home Rule Charter and TABOR tax limitations, which are growth in actual property value, plus cost-of-living. As has been the case for the last four to five years growth and development activity directly, or indirectly, related to oil and gas exploration seems 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 five years. For the 2016 budget, the growth in the county's assessed value from oil and gas values exceeds 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 increased property tax base created by the energy development in 2016 and be prepared for a significant drop in the assessed valuation for 2017 the county will be facing.

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. 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 continues 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.

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 2016 for the second year in a row.

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 increased 2012 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. The investment in the oil and gas infrastructure is anticipated to continue for the next few years even with lower oil prices. 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 2015-2016. Fines from traffic violations are projected to be up in 2016. 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 another $1.1 million in 2016.