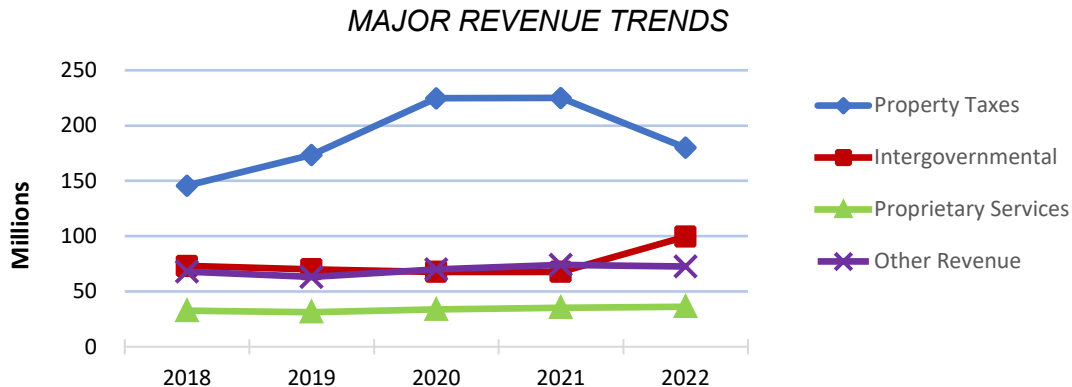


MAJOR REVENUE HISTORICAL TRENDS AND ANALYSIS

DESCRIPTION	2018	2019	2020	2021	2022
Property Taxes	\$ 145,754,379	\$ 173,539,158	\$ 224,660,533	\$ 225,047,613	\$ 179,977,118
Other Taxes	13,630,000	12,770,000	12,970,000	12,800,000	11,710,000
Fees	13,059,800	13,481,000	14,109,600	16,178,350	17,757,300
Intergovernmental	73,012,071	70,021,975	67,679,862	67,669,679	99,528,078
Licenses/Permits	4,473,750	4,678,000	6,880,000	5,366,500	5,133,550
Charges for Services	9,558,280	10,182,870	11,499,426	11,544,735	13,365,291
Proprietary Services	32,503,524	31,228,972	33,706,303	35,298,521	36,158,063
Miscellaneous	27,302,514	22,059,361	24,559,545	28,141,881	24,695,868
TOTAL REVENUES	\$ 319,294,318	\$ 337,961,336	\$ 396,065,269	\$ 402,047,279	\$ 388,325,268

TREND ANALYSIS

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



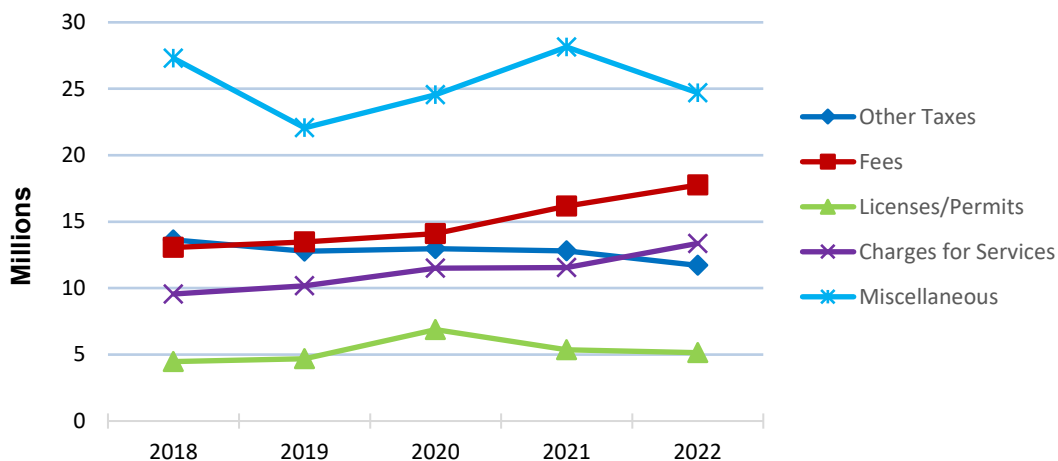
Property Tax: Increases will track with the Home Rule Charter and TABOR tax limitations, which are growth in actual property value, plus cost-of-living. As has been the case for the last few years' growth and development activity directly, or indirectly, related to oil and gas exploration seems to be the main influence on the growth 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 decade. For the 2020 budget, the increase in the county's assessed value from oil and gas values was over 34%. Oil and gas assessed valuation are close to two-thirds of the county's total assessed valuation. For the 2021 budget, the county's assessed value from oil and gas values was close to the same level as 2020. However, legislative proposals and ballot initiatives regulating energy development in Colorado continue to threaten the long-term viability of the energy industry in the state. In the 2019 legislative session SB 19-181 was passed and signed into law. SB19-181 is a major rewrite of Colorado's oil and gas regulations. With the COVID-19 economic downturn and the Saudi Arabia and Russian oil price war, the drop in production and prices during 2020 significantly impacted the assessed valuation for the 2022 budget, as the

assessed valuation dropped nearly 20% even in a reappraisal year. Weld County experienced nearly a 40% drop in the oil and gas assessed valuation for the 2022 budget. 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. With the potential impact of SB 19-181 and reluctance of investors putting money into fossil fuel development, oil and gas assessed valuation in Weld County may have peaked in 2020-2021.

Intergovernmental: The significant jump in state and federal revenues in 2018 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. Many of these grants were one-time and dropped after 2018. The drop from 2018 to 2019 and into 2020 was primarily due to reductions in energy impact and flood recovery related federal grants for road projects. In 2022 the significant increase in intergovernmental revenues is from the American Recovery Act where Weld County will be receiving nearly \$63 million in COVID recovery funds in 2021-2022. Once the economy recovers from COVID many 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 beyond 2022.

Proprietary Services: Predictable revenue based on stable usage. Health insurance costs in the self-insured program are slowing and even dropped 15% in 2019, so the increases in this area over the next five years should be more moderate. For example, there has been a 11.8% decrease in health insurance rates in the last eight years, but participation in the insurance plan is up with the addition of county employees and dependents, resulting in a net increase.

OTHER REVENUE TRENDS



Other Taxes: Primarily, specific ownership taxes that track car registrations and severance tax. The fluctuating trend the last few years is due to a 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. With oil and gas production projected to be down the next 2-3 years these revenues will most likely be lower also.

Fees: Fees have been increased and new fees added. Fees from vehicle registration should increase as vehicle sales are projected to continue to increase and as the county's population continues to grow. Refinancing of mortgages are increasing Recording fees. Public Trustee fees were first budgeted when the Treasurer assumed the role of Public Trustee on July 1, 2020. The

big jump in 2021 is the increase in fees from the Treasurer's Office, based on the increase in taxing entities and including the new Public Trustee fees.

Licenses/Permits: A change in fees in 2018 regarding oil and gas well permit fees lowered building inspection revenue more than anticipated. The new oil and gas regulations resulting from SB 19-181 increased permit revenues in 2020 by nearly \$2 million but have since dropped dramatically as investment in fossil fuel development has slowed. With the COVID-19 pandemic slowdown in the economy, oil and gas drilling activity fees from new construction and oil and gas permits dropped in 2021, and that trend is projected to continue in 2022 and beyond.

Charges for Services: Revenue is predictable based on contracts for service and reimbursable projects. The increase of over \$1 million in 2020 is due to dispatch user fees moving from 20% to 40% of cost recovery. The increase in 2022 is attributed to an accounting change between Communications and the E-911 Authority.

Miscellaneous: Revenue remains predictable, even though there is some variation in specific years. Interest revenue is found in this category and was up nearly \$1.5 million in 2019 and remained the same in 2020. With lower interest rates earning from investments, even with higher cash balances interest revenues are flat. Public Works contracts were down due to reimbursable road projects in 2019, but up nearly \$500,000 in 2020, and up \$2.89 million in 2021. There are no project generating revenues in 2022. Fines from traffic violations are projected to drop in 2022 due to new police reform legislation. Oil and gas royalty payments were up substantially the last five years but are anticipated to be down in 2021-2022 due to lower production and prices. The policy decision to charge Social Services the full amount of indirect costs raised this category to \$5.3 million in 2022.

FIVE YEAR PROJECTED REVENUE AND EXPENDITURE TRENDS

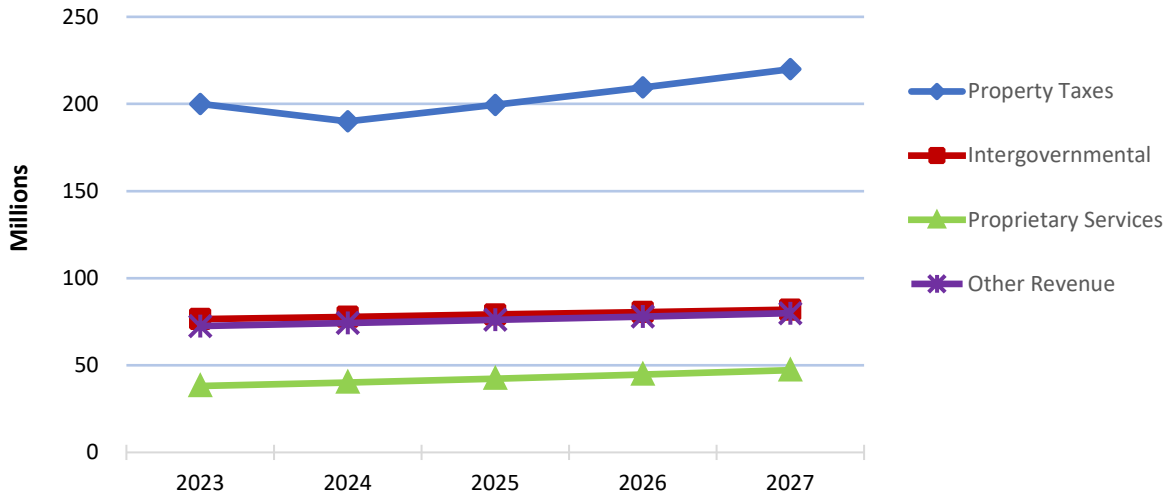
2023-2027 REVENUE PROJECTIONS

The forecasting revenue trends cited in the graphs below are discussed in the previous section, Major Revenue Historical and Future Trends and Analysis. Assumptions include:

- Property tax levy with maximum allowable, per Weld County Home Rule Charter and Amendment One (TABOR) limitation. The projections are set at 5% annually. However, the impact of SB 19-181 regulating oil and gas production and the COVID-19 economic slowdown could reduce property tax revenue starting in 2022-2025.
- Assessed value from oil and gas will fluctuate, but the Contingency Reserve will allow for a leveling effect with oil prices being in the range of \$45-65 long term.
- Intergovernmental revenues will show only moderate annual changes of 2% as non-defense discretionary spending slows and some cuts in entitlements occur due to planned federal deficit reductions.
- Fees, licenses, charges for service, and miscellaneous revenues will grow at the rate of inflation and population growth.
- Proprietary Services will be driven primarily by inflation.
- Proprietary Services revenues are offset by the same expenditure amount with an adjustment for the property tax assessed for the Insurance Fund.

DESCRIPTION	2023	2024	2025	2026	2027
Property Taxes	\$200,000,000	\$190,000,000	\$199,500,000	\$209,475,000	\$219,948,750
Other Taxes	12,056,500	12,413,395	12,780,997	13,159,627	13,549,616
Fees	18,283,269	18,825,017	19,383,018	19,957,758	20,549,741
Intergovernmental	76,516,184	77,826,672	79,164,667	80,530,779	81,925,629
Licenses/Permits	5,279,575	5,429,824	5,584,421	5,743,492	5,907,169
Charges for Services	13,732,560	14,110,173	14,498,427	14,897,628	15,308,089
Proprietary Services	38,110,088	40,181,384	42,379,778	44,713,631	47,191,872
Miscellaneous	23,179,866	23,523,848	23,878,115	24,242,974	24,618,740
TOTAL REVENUES	\$387,158,042	\$382,310,313	\$397,169,423	\$412,720,889	\$428,999,606

MAJOR REVENUE PROJECTIONS



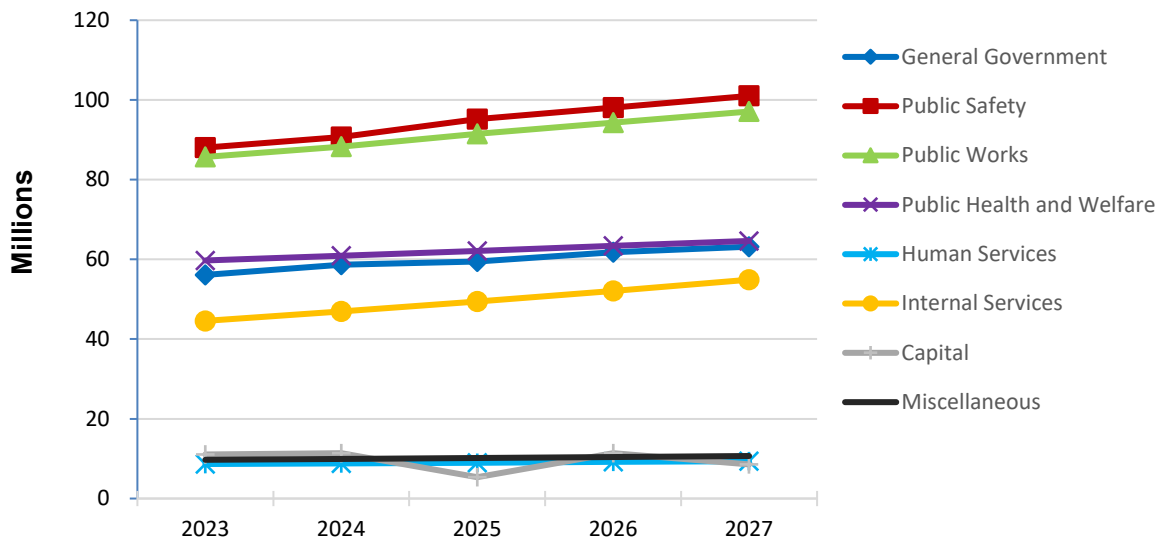
2023-2027 EXPENDITURE PROJECTIONS

<i>DESCRIPTION</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>
General Government	\$56,105,608	\$58,623,559	\$59,435,155	\$61,772,950	\$63,182,795
Public Safety	88,043,362	90,684,663	95,215,203	98,071,659	101,013,809
Public Works	85,701,860	88,272,916	91,521,103	94,266,736	97,094,738
Public Health and Welfare	59,727,840	60,916,577	62,129,089	63,365,850	64,627,347
Human Services	8,658,573	8,829,880	9,004,613	9,182,841	9,364,633
Culture and Recreation	1,093,526	1,113,641	1,134,259	1,155,390	1,177,050
Proprietary Services	44,570,939	46,929,694	49,430,726	52,083,309	54,897,346
Capital	11,015,139	11,348,700	5,356,500	11,377,125	8,575,000
Miscellaneous	8,625,079	8,832,492	9,046,059	9,265,961	9,492,387
TOTAL EXPENSES	\$363,541,926	\$375,552,124	\$382,272,707	\$400,541,822	\$409,425,105

Assumptions used for the expenditure projections are as follows:

- Inflation is projected to stabilizing in the next year with the COVID-19 recovery and then resume at an average 3 percent over the five-year period for all categories, except federal and state funded programs.
- Population growth follows the State Demographer’s estimate of an average 2-3 percent growth for Weld County.
- Public Health and Welfare and Human Services program costs will follow the trend of the state and federal revenues supporting them. Therefore, the program expenditures will grow only moderately at 2% annually as non-defense discretionary spending slows and some cuts in entitlements occur due to planned federal deficit reductions.
- In election years, General Government will increase by approximately \$500,000 for General Election years and \$1,000,000 for Presidential Election years and drop by the corresponding amount in off-election years.
- Public safety will experience infusion of funds beyond inflation to fund the additional costs of opening additional jail beds as the inmate population grows.
- Proprietary Services will be driven primarily by inflation.
- Proprietary Services revenues are offset by the same expenditure amount.
- Capital costs follow the revenue contribution to the Capital Expenditure Fund in accordance with the Capital Improvements Plan.
- Public Works costs will be increased to accommodate the growth in traffic as the county’s population increases, and energy development continues to impact the road system.

MAJOR EXPENDITURE PROJECTIONS



2023-2027 FUND BALANCE PROJECTIONS

	2023	2024	2025	2026	2027
Begin Fund Balance	\$447,036,097	\$470,652,213	\$477,410,402	\$492,307,118	\$504,486,184
Total Revenues	387,158,042	382,310,313	397,169,423	412,720,889	428,999,606
Total Expenses	363,541,926	375,552,124	382,272,707	400,541,822	409,425,105
Ending Fund Balance	\$470,652,213	\$477,410,402	\$492,307,118	\$504,486,184	\$524,060,686

