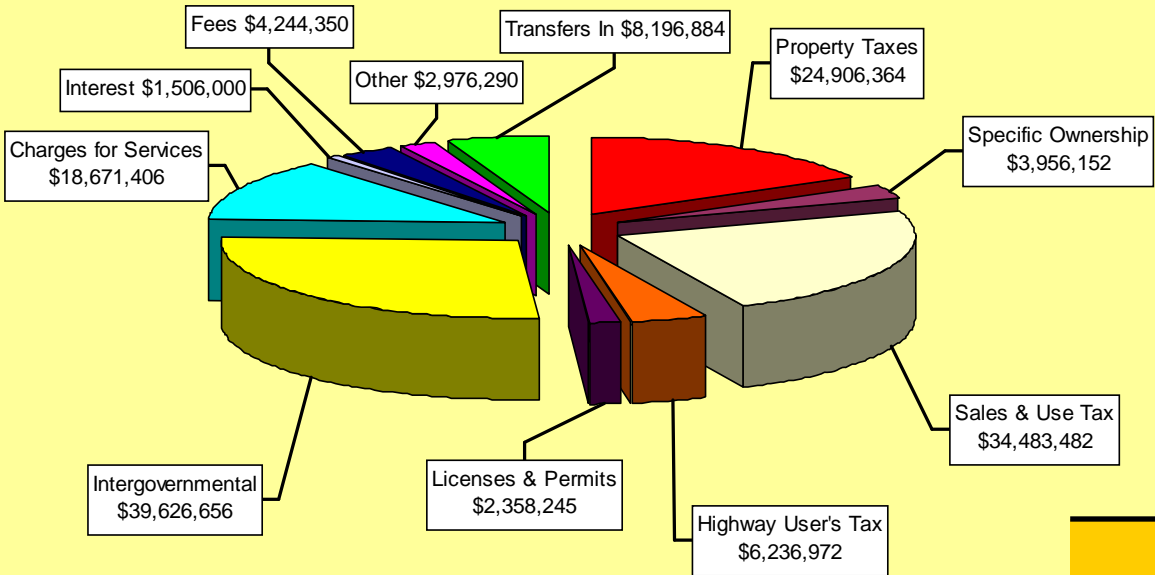


REVENUE SUMMARY

2007 Revenue Sources



Contents

- Revenue Categories
- Basis for Revenue Projections
- Revenue Sources
- Property Tax
- Sales & Use Tax
- Distribution of Property Tax Revenue

MAJOR REVENUE CATEGORIES

- ⇒ **Property Tax** is a levy against the assessed value of all taxable real property located in the County such as land and housing.
- ⇒ **Specific Ownership Tax** is an annual tax against the assessed value of personal property such as automobiles, motorcycles, travel trailers and motor homes.
- ⇒ **Sales & Use Tax** is collected from retail purchases (sales) in the County. Normally this tax applies to all merchandise purchased in the County with the exception of grocery food items. Sales taxes can be levied by the State, County and Municipality. Mesa County's sales tax is 2%, of which 0.55% is distributed back to local municipalities.
- ⇒ **Highway User's Fund Tax** is primarily a tax on motor fuels that is distributed between state, county and municipal governments and earmarked for road and bridge type expenditures. The tax collected by the State and distributions are based on a three-tier funding formula adopted in 1989.
- ⇒ **Licenses & Permits** is revenue collected from marriage licenses, liquor licenses, building permits and other county permits. Building permits is the largest revenue in this category.
- ⇒ **Intergovernmental (Grants)** is revenue received from other governmental agencies such as the Federal, State and local government. Also included in this group is revenue from mineral leasing, cigarette tax and other government contracts. State and Federal welfare grants represent the largest amount of revenue in this category.
- ⇒ **Charges for Services** are revenue collected for various County services such as landfill user fees, development/planning fees, inmate client fees, fairground activities, animal control, health department and internal charges between departments.
- ⇒ **Interest** is revenue earned from investments of cash and cash reserves.
- ⇒ **Fees** are revenue collected for services provided by the Treasurer, Clerk & Recorder, Public Trustee, Criminal Justice Services, Sheriff Department and other County departments. These fees included items such as Treasurer's fees, document recording fees, ownership tax fees, plat fees, certificates of title, work release fees, process of service fees, as well as the County administrative fees.
- ⇒ **Other** is miscellaneous revenue collected from sale of assets, rentals and royalties.
- ⇒ **Transfers** are internal revenue provided by transferring money from one County fund to another County fund. Fund transfers are not actual cash revenues since they merely move money from one fund to another and are often excluded in reporting actual revenues.

BASIS FOR REVENUE PROJECTIONS

Property Tax: 2007 revenue projections were based on actual assessed valuations provided by the Assessor's Office. The County budgets 99.44% of the amount certified for collection. 2007 revenues are projected to increase over 2006 by \$1,316,623 or 5.58%. Re-evaluations on property occur every two years.

Specific Ownership Tax: Projections are based on historic trends. 2007 revenues are projected to remain stable..

Sales & Use Tax: Projections are based on historical trends and factors in projections of anticipated economic conditions. Due to the growth in Mesa County, 2007 sales tax revenues are projected to increase by 10%.

Highway User's Tax: The Colorado Department of Transportation provides estimated 2007 HUTF revenues by county. The revenue is derived from gasoline tax. Actual number of county lane miles is a factor used in allocating these funds. Revenue projections increase due to growing population and tourist activity. This revenue is used only in the Road & Bridge Fund.

Licenses and Permits: Approximately 75% of this revenue comes from the building fees and projections are derived from the building department using current building activity and anticipated economic data. Other key revenues are business permits, marriage, liquor and animal licenses. Projections were based on historic data and building permit activity.

Intergovernmental (Grants): Each department projects the estimated federal and state grants. 2007 revenues are projected to increase by 5,225,675 or 12.8%. This is mainly due to an increase in Energy Impact grants, and Federal funds for Health and Human Services.

Charges for Services: Revenue projections are based on individual department's projections. 2007 revenues are projected to increase by \$1,546,372 or 9%.

Interest: Interest is budgeted based on the County's projected cash flows and the current interest rate. Interest is projected to decrease by \$91,587 mainly due to the decrease of fund balances.

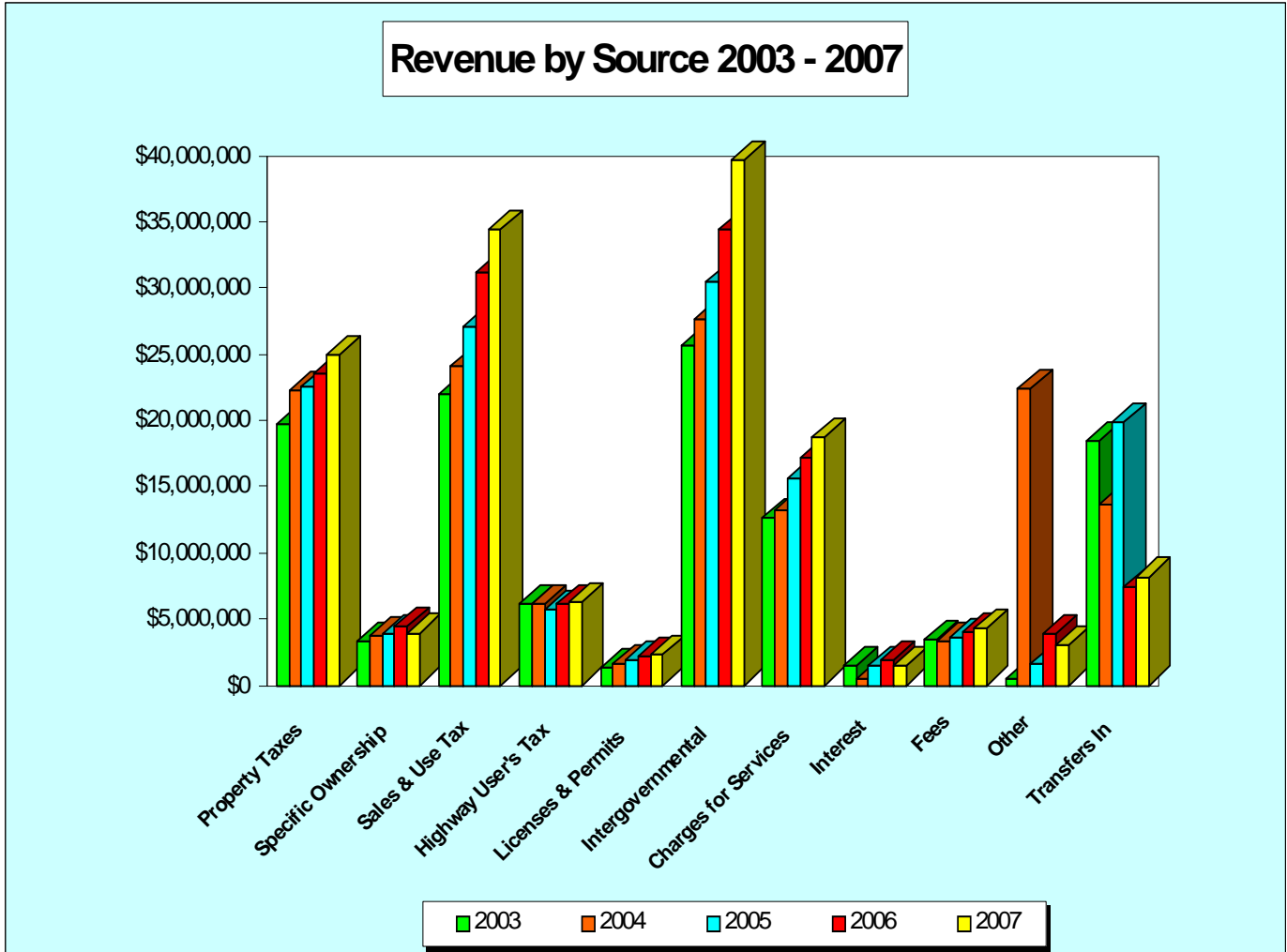
Fees: Projections were based on individual department estimates and are projected to increase by approximately \$227,130 or 5.6%.

Transfers: Transfers are based on actual planned movement of fund balances between funds. Most transfers are for capital improvements for the County. Other transfers are to the Economic Development Fund, the Health Department, the Septic Elimination Fund, and Fair Board for general operations. A transfer to the new Building Fund is for start-up.

Other: Other revenues are projected to decrease in 2007 due to large sales of easements in 2006.

TOTAL REVENUES FOR ALL FUNDS

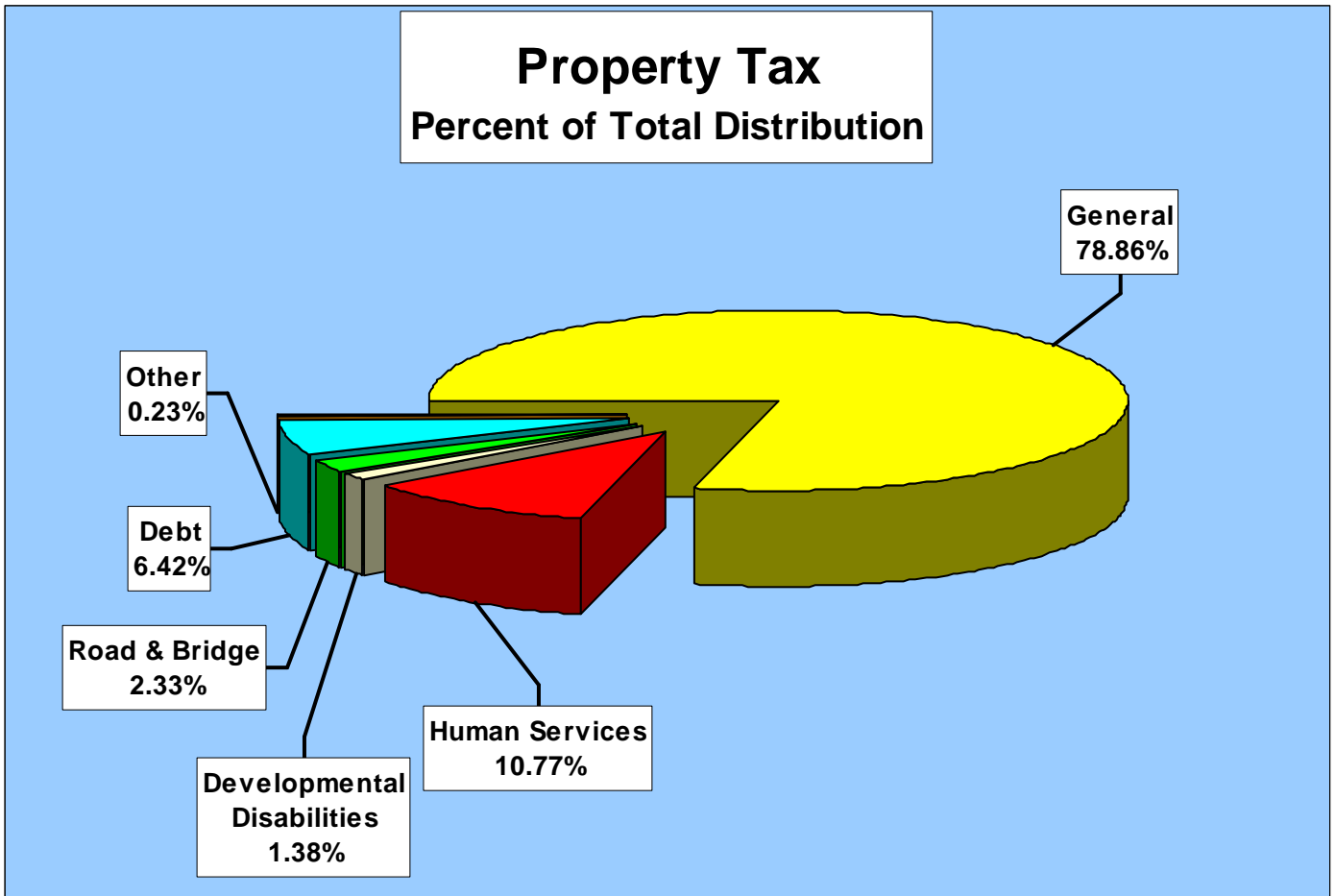
Mesa County revenues come from various sources with Property and Sales & Use Taxes comprising an average of 40.4% of this total. Intergovernmental revenues are primarily Federal and State grants and are often received for Health and Human Services programs.



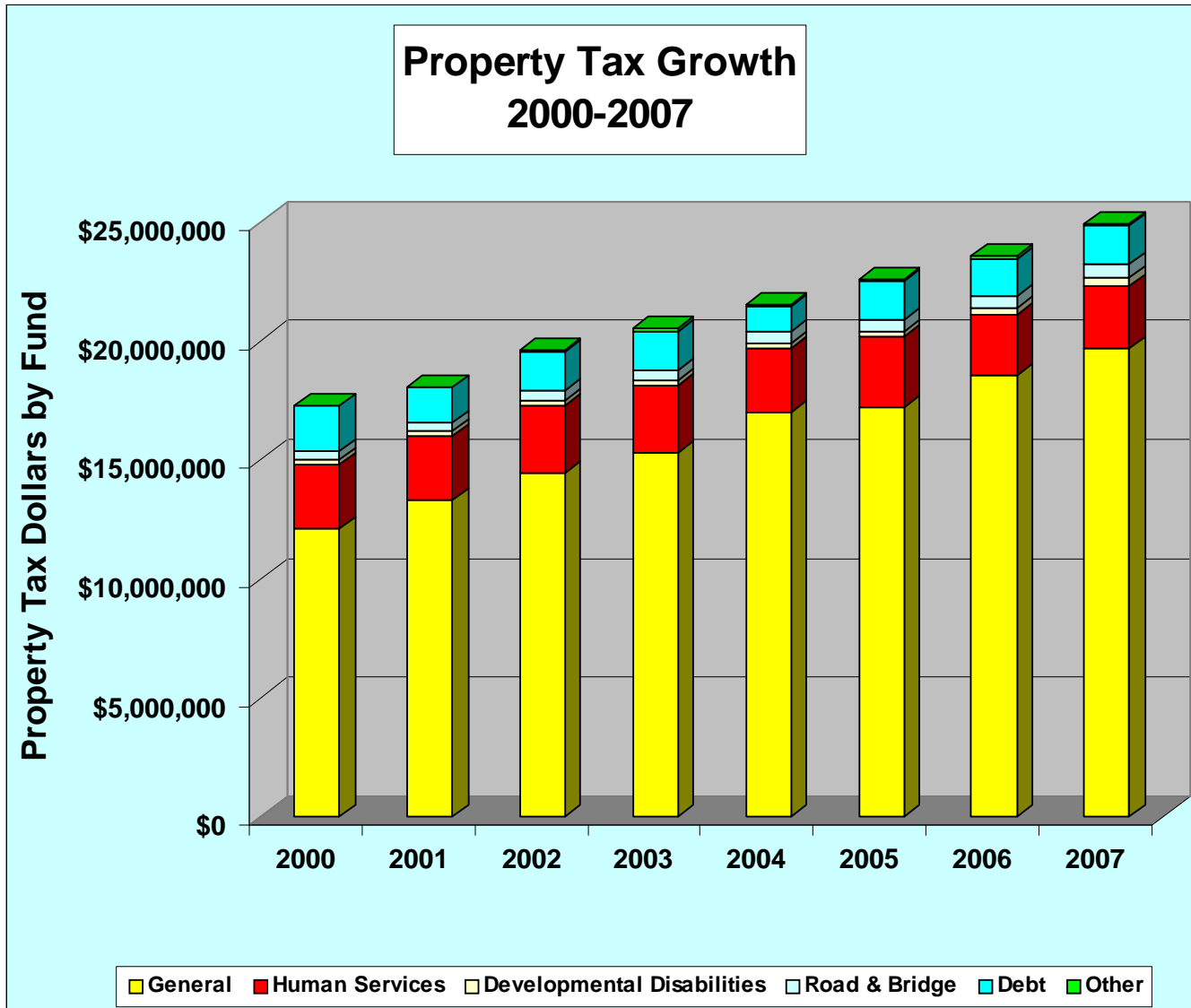
Revenue Sources	Actual Audited			Projected	Budget
	2003	2004	2005	2006	2007
Property Taxes	\$19,698,260	\$22,271,610	\$22,575,305	\$23,589,741	\$24,906,364
Specific Ownership	3,361,542	3,750,554	3,822,799	4,385,463	3,956,152
Sales & Use Tax	21,959,671	24,100,765	27,046,733	31,188,049	34,483,482
Highway User's Tax	6,212,984	6,102,231	5,784,489	6,190,337	6,236,972
Licenses & Permits	1,406,450	1,593,897	1,933,099	2,244,172	2,358,245
Intergovernmental	25,712,028	27,611,054	30,428,491	34,449,701	39,626,656
Charges for Services	12,715,884	13,165,404	15,663,162	17,125,035	18,671,406
Interest	1,518,754	538,262	1,460,848	1,864,649	1,506,000
Fees	3,428,661	3,326,849	3,614,950	4,017,220	4,244,350
Other	548,305	22,387,396	1,690,291	3,825,944	2,976,290
Transfers In	18,467,187	13,657,356	19,912,707	7,374,287	8,196,884
Total Sources	\$115,029,726	\$138,505,378	\$133,932,874	\$136,254,596	\$147,162,801

PROPERTY TAX

Approximately 79% of the County's general property taxes are distributed to the General Fund. The other 21% is split between Human Services, Road & Bridge, TV Translator, Developmental Disabilities, Debt Services, Mesa Community Public Improvement District and the Upper Grand Valley Pest District Funds. Property taxes are projected to grow approximately 5.58% in 2007. Assessed valuations are revalued every two years in Colorado and 2008 will be the next evaluation year.



PROPERTY TAX



Current Property Tax*	Audited						Proposed	Budget
	2000	2001	2002	2003	2004	2005	2006	2007
General	\$12,129,216	\$13,316,779	\$14,455,772	\$15,325,110	\$17,001,636	\$17,147,324	\$18,458,515	\$19,574,984
Human Services	\$2,696,059	\$2,669,234	\$2,822,951	\$2,792,944	\$2,712,130	\$2,958,491	\$2,373,269	\$2,672,857
Developmental Disabilities	\$206,011	\$216,082	\$243,449	\$246,338	\$218,160	\$264,428	\$278,362	\$343,093
Road & Bridge	\$333,977	\$350,072	\$394,783	\$413,250	\$437,257	\$457,014	\$545,229	\$579,010
Debt	\$1,902,571	\$1,509,390	\$1,611,070	\$1,645,444	\$1,090,801	\$1,607,301	\$1,546,457	\$1,594,565
Other	\$13,691	\$14,353	\$98,137	\$103,824	\$74,375	\$74,663	\$77,942	\$56,855
Total	\$17,281,525	\$18,075,910	\$19,626,162	\$20,526,910	\$21,534,359	\$22,509,220	\$23,279,773	\$24,821,364
Temporary Tax Credit		(\$733,658)	(\$307,276)					(\$151,876)
Percent Change	6.4%	4.6%	8.6%	4.6%	4.9%	4.5%	3.4%	6.6%

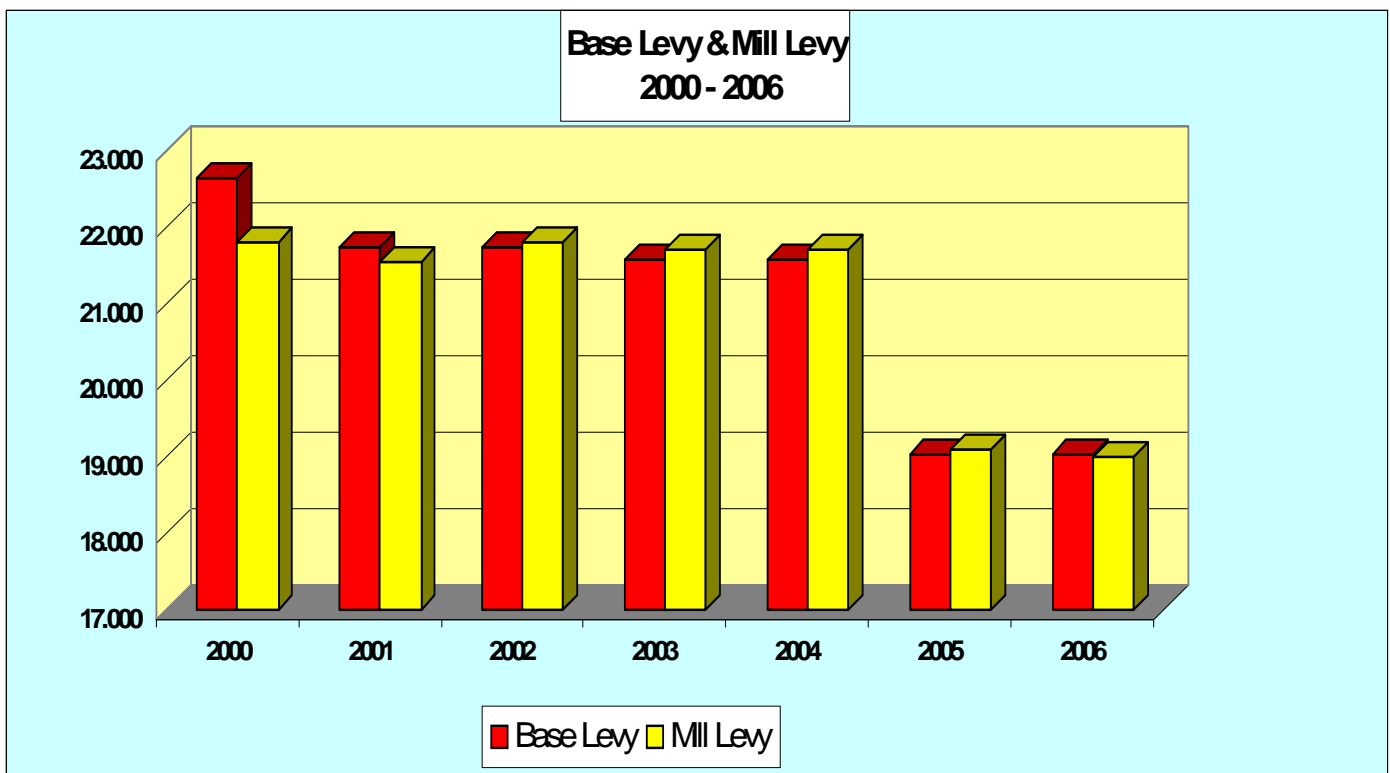
* Does not include delinquent taxes, interest or penalties

Base Levy and Mill Levy

The 2007 Budget indicates that the mill levy is projected to decrease .116 mills from the prior year. This Temporary Credit is due to an anticipated TABOR Refund of approximately \$152,731. The base mill levy decreased 2.602 mills in 2005. This was largely due to the low Denver-Boulder CPI that is used in the TABOR calculation.

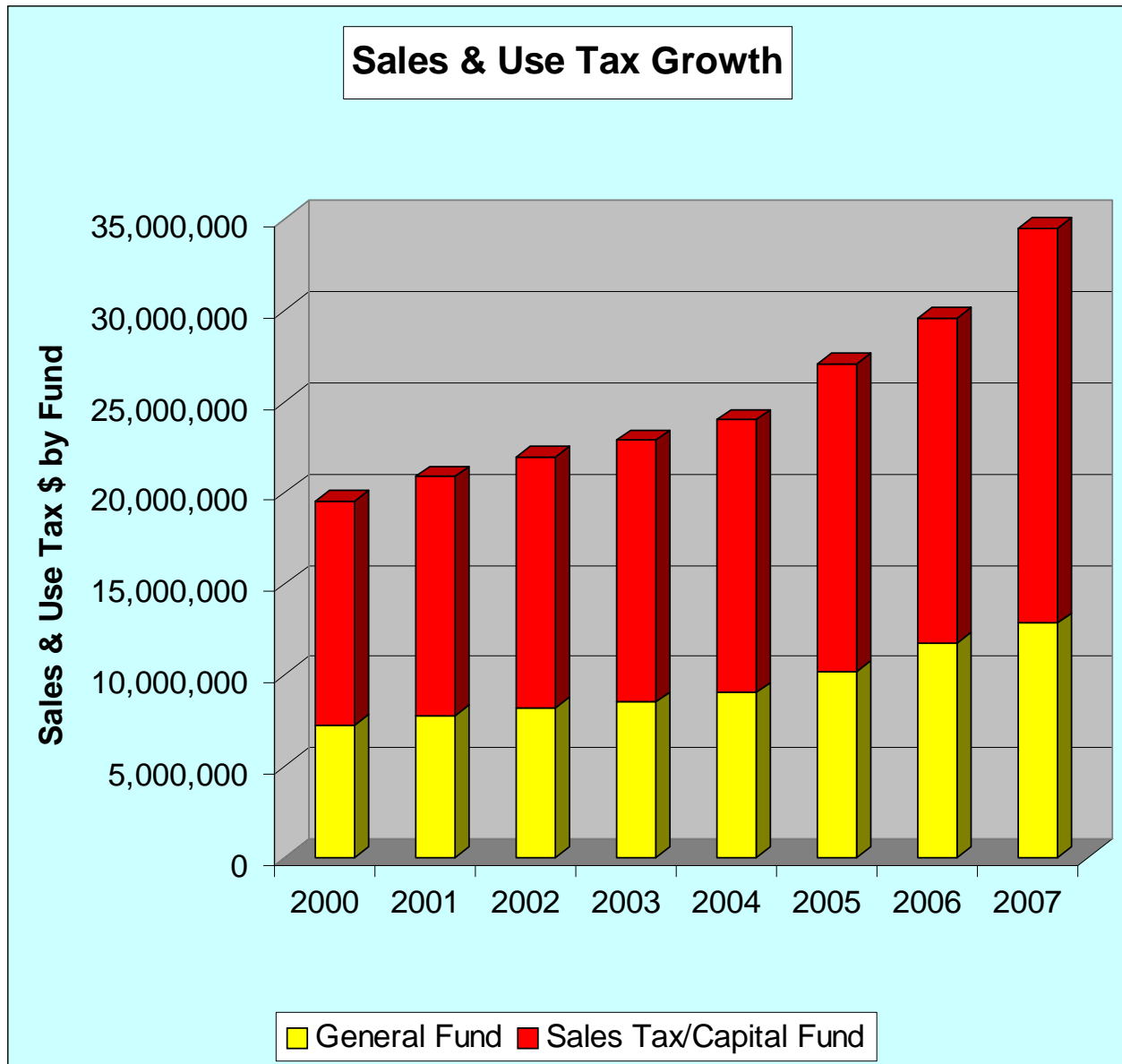
TABOR (Taxpayer Bill of Rights) is a Colorado constitutional amendment that restricts revenue and expenditure growth.

Levy Year	Base Levy	Abatement Levy	Temporary Credit	Mill Levy
2000	22.660	0.078	(0.916)	21.822
2001	21.743	0.147	(0.346)	21.544
2002	21.743	0.066		21.809
2003	21.573	0.145		21.718
2004	21.573	0.136		21.709
2005	19.035	0.072		19.107
2006	19.035	0.072	(0.116)	18.991



SALES & USE TAX

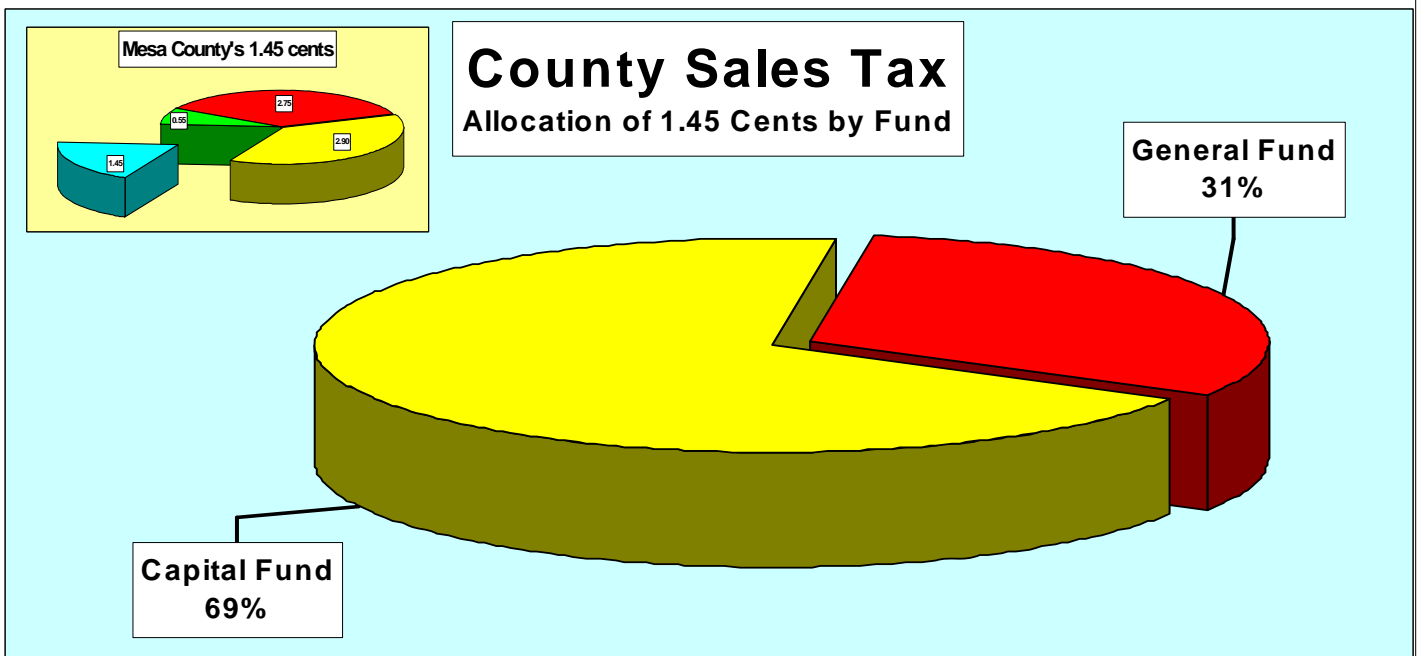
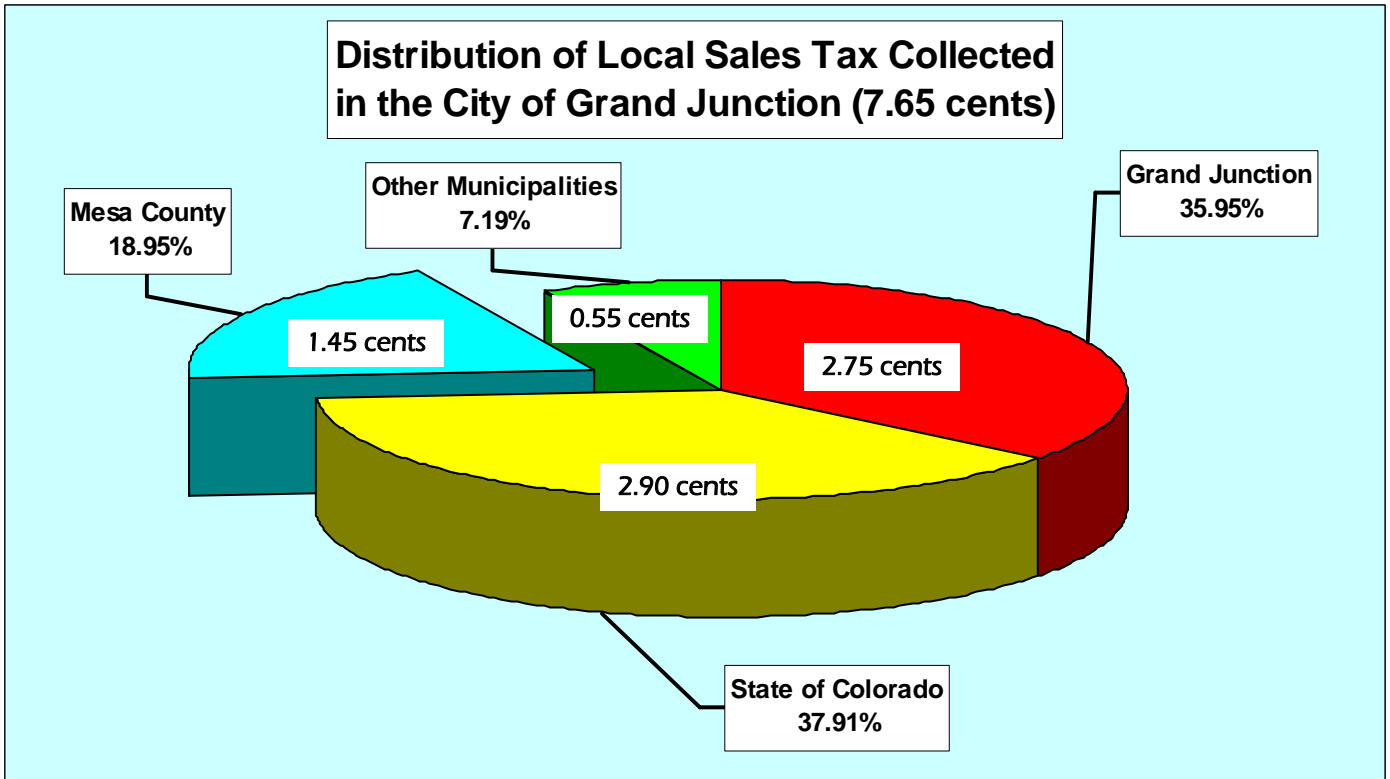
Sales tax revenues are the largest single revenue and continue to exceed property taxes. Due to the volatile nature of sales tax, complete reliance on this stream of revenue for operations is not recommended. Periodic accumulation of fund balance within the Sales Tax Bond and Capital Funds has and will occur as projects are started or completed.



Fund	Audited						Projected	Budget
	2000	2001	2002	2003	2004	2005	2006	2007
General Fund	7,263,769	7,786,473	8,204,360	8,503,151	9,011,801	10,215,328	11,764,421	12,835,851
Sales Tax/Capital Fund	12,267,991	13,100,081	13,755,311	14,357,723	14,976,192	16,831,406	17,808,915	21,647,631
Total	19,531,760	20,886,554	21,959,671	22,860,874	23,987,993	27,046,733	29,573,336	34,483,482
Percent Change	7.2%	6.9%	5.1%	4.1%	4.9%	12.8%	9.3%	16.6%

SALES TAX

Retail sales tax within the City of Grand Junction is 7.65 cents per one dollar and is a major revenue source for the local governments; retail sales tax within the City of Fruita is 6.90 cents; and retail sales with the City of Palisade is 5.90 cents. Mesa County receives approximately 19% of the 7.65 cents collected in Grand Junction. Two (2) cents per \$1.00 retail sales is actually collected as a County tax with 1.45 cents going to Mesa County and .55 cents designated to the city municipalities within the County.



DISTRIBUTION OF PROPERTY TAX REVENUE

Mesa County collects taxes for all taxing districts in the county, including school districts, water and sanitation districts, cities and other special districts. The County Treasurer distributes the monies to the districts. The top chart illustrates how these taxes are distributed to the various districts with the County retaining approximately 27%. The bottom chart illustrates the type of property assessed with 49% of county taxes coming from residential property. Commercial & Industrial property represents 32% of the assessed value.

