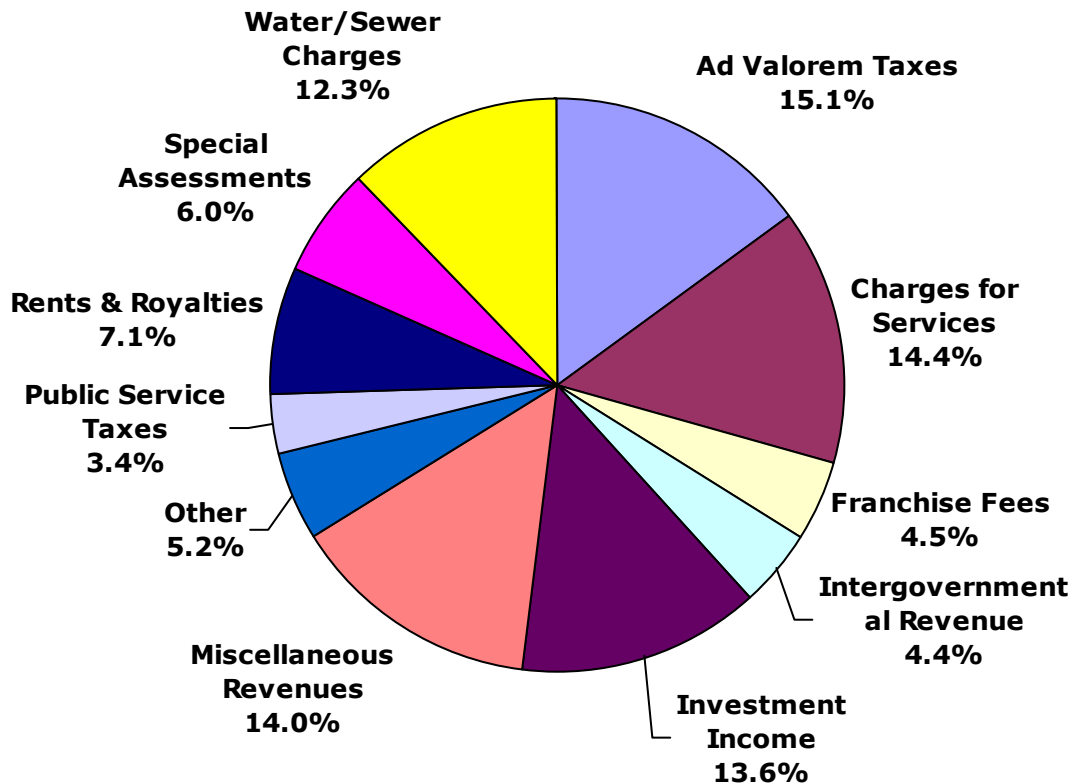


BASIS OF REVENUE AND EXPENDITURE ESTIMATES

The preceding guidelines are the foundation upon which (1) the annual 2012-13 budget and (2) the fiscal year 2013-14 to 2017-18 Capital Improvement Program are prepared. Estimation of revenues and expenditures are predicated on the following considerations. Also, tables and charts highlighting the major revenue and expenditure components have been provided. Due to rounding, the percentages related to the components of some charts and graphs may not add up to 100%.

2012-13 All Funds Revenue - By Category

Total Revenues \$338,213,326



The City will focus its efforts to strengthen and diversify the revenue base to assure the ongoing stability of the City's income. Charges for Services are usually intended to fully recover the cost of providing those services. The City actively supports economic development activities to strengthen the sales tax base for the community. Because countywide sales tax revenues are formula driven, strong economic growth has significantly benefited other cities in the county. As the City approaches 'build-out' the budget is based upon a slightly lower growth rate.