

Exhibit "A"

**City of Menifee
FY2025/26 Appropriations Computation**

The appropriations limitation imposed by the state, otherwise known as the Gann Limit, creates a restriction on the amount of revenue that can be appropriated (revenue that can be legally spent) in any fiscal year. The basis for calculating the limit began in fiscal year (FY) 1978/79 and is increased based on population growth and inflation. Menifee's Gann Limit Calculation began the first full year of operation (FY 2009/10). The appropriation limit applies only to those revenues defined as proceeds of taxes.

POPULATION GROWTH FACTORS:

1. Population growth of Menifee, **OR**
2. Population growth within Riverside County,

AND

INFLATION GROWTH FACTORS:

3. Growth in California per capita income, **OR**
4. Growth in non-residential assessed valuation due to new construction in the city.

The factors used to calculate the Fiscal Year 2025/26 Limit were:

1. **Population growth of Menifee.**

AND

3. **Growth in California per capita income.**

Using the prior year's Appropriation Limit, the formula used to calculate the Gann Limit is on the following page.

Fiscal Year 2024/25 Expenditure Limit: **\$64,469,288**

1. % Population growth within Menifee = **1.0130%**
(Based on 2024 Population of 113,837 per State of California Department of Finance Fiscal Year 2024/25 Annual Percent Change in Population Minus Exclusions and 2025 Population of 115,316 per State of California Department of Finance Fiscal Year 2025/26 Annual Percent Change in Population Minus Exclusions*, See Attachment 1)*
3. Growth in California per capita income = **1.0644** Net Increase Factor (See Attachment 1)

Combined Adjustment Factor of 1.0782 = (1.0130 x 1.0644)

Fiscal Year 2025/26 Appropriation Limit = Combined Adjustment Factor, 1.0782 * Fiscal Year 2024/25 Limit, \$64,469,288 = \$ 69,513,185

Gann Limit History (City of Menifee)

| Fiscal Year | Appropriation Limit |
|----------------------------|----------------------------|
| FY 2009/10 | \$26,049,674 |
| FY 2010/11 | \$25,794,220 |
| FY 2011/12 | \$27,187,310 |
| FY 2012/13 | \$28,728,556 |
| FY 2013/14 | \$30,745,565 |
| FY 2014/15 | \$31,197,525 |
| FY 2015/16 | \$33,047,538 |
| FY 2016/17 | \$35,509,580 |
| FY 2017/18 | \$37,707,623 |
| FY 2018/19 | \$40,117,140 |
| FY 2019/20 | \$42,889,234 |
| FY 2020/21 | \$45,595,545 |
| FY 2021/22 | \$49,493,964 |
| FY 2022/23 | \$56,937,856 |
| FY 2023/24 | \$61,365,981 |
| FY 2024/25 | \$64,469,288 |
| FY 2025/26 Proposed | \$69,513,185 |