

## **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
<b>FY 2025/26 Proposed</b>	<b>\$69,513,185</b>