

Exhibit "A"

City of Menifee 2023/2024 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 1978/79 and is increased based on population growth and inflation. Menifee's Gann Limit Calculation began the first full year of operation (FY2009/10). 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 2023/24 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 outlined below:

Fiscal Year 2022/23 Expenditure Limit: **\$56,937,856 (Set at June 1, 2022 City Council Meeting)**

1. % Population growth within Menifee = **3.20%**
(Based on 2022 Population of 106,627 per State of California Department of Finance Fiscal Year 2022-23 Annual Percent Change in Population Minus Exclusions and 2023 Population of 110,034 per State of California Department of Finance Fiscal Year 2023-24 Annual Percent Change in Population Minus Exclusions*, See Attachment 1)*
3. Growth in California per capita income = **1.0444** Net Increase Factor (See Attachment 1)

Combined Adjustment Factor of 1.078 = (1.0444 x 1.0320)

Fiscal Year 2023/24 Appropriation Limit = Combined Adjustment Factor, 1.078 * 2022/23 Limit, \$56,937,856 = \$61,365,981

Gann Limit History (City of Menifee)

Fiscal Year	Appropriation Limit
FY 09/10	\$26,049,674
FY 10/11	\$25,794,220
FY 11/12	\$27,187,310
FY 12/13	\$28,728,556
FY 13/14	\$30,745,565
FY 14/15	\$31,197,525
FY 15/16	\$33,047,538
FY 16/17	\$35,509,580
FY 17/18	\$37,707,623
FY 18/19	\$40,117,140
FY 19/20	\$42,889,234
FY 20/21	\$45,595,545
FY 21/22	\$49,493,964
FY 22/23	\$56,937,856
FY 23/24	\$61,365,981