City of Needles, California
Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Special

Meeting Date: May 12, 2026

Title: Auditor Agreed Upon Procedures Report on FY 2024-2025 annual appropriations subject to limit (Gann Limit) calculations.

Background: The adoption of a resolution is a requirement of Article XIII B of the Constitution of the State of California, Section 7902 (a). Also known as the Gann Appropriations Limit, it was approved on November 6, 1979, by California voters. Under the Gann Limit, a maximum amount is established for tax-funded government services. That amount is to be adjusted each year depending on changes in population, inflation, and the transfer of financial responsibility for various government activities from one level of government to another. Any significant amount of state tax revenue received above that Gann Limit may lead to future tax rebates or tax cuts. The total annual budget appropriations subject to limitations shall not exceed the appropriations limit.

Each year, as part of the annual audit process, the auditors perform Agreed-Upon Procedures (AUP) on the City's Gann Limit calculation to determine compliance with state law.

Fiscal Impact: None.

Environmental Impact: None.

Recommended Action: Accept and file the auditor AUP report for the FY 2024-2025 Gann Limit calculation.

Submitted By: Mark C. DeMay, Director of Finance

City Manager Approval: Patrick J Martinez Date: 5/7/2026

Other Department Approval: (when required) _____ Date: _____