

CITY OF BEVERLY HILLS

APPROPRIATIONS LIMIT WORKSHEET NO. 6

**WITH INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET**

FOR THE YEAR ENDED JUNE 30, 2014

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

The Honorable City Council
City of Beverly Hills
Beverly Hills, California

We have applied the procedures enumerated below to the accompanying Appropriations Limit Worksheet No. 6 of the City of Beverly Hills, California (the City) for the year ended June 30, 2014. These procedures which were agreed to by the City and the League of California Cities (the League) (as presented in the League publication entitled "Article XIII B Appropriations Limit Uniform Guidelines") were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. City management is responsible for the Appropriations Limit Worksheet No. 6.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users listed in the last paragraph of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed Appropriation Limit Worksheet No. 6 for the year ended June 30, 2014, and compared the limit and annual adjustment factors included in that worksheet to the limit and annual adjustment factors that were adopted by resolution of the City Council of the City of Beverly Hills, California. We also compared the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the City Council.

No exceptions were noted as a result of performing this procedure.

2. For the accompanying Appropriations Limit Worksheet No. 6, we added last year's limit to the total adjustments, and compared the resulting amount to this year's limit. We also recalculated the adjustment factors, and the adjustment for inflation and population, and compared the results to the amounts on Appropriations Limit Worksheet No. 6.

No exceptions were noted as a result of performing this procedure.

3. We compared the prior-year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior-year appropriations limit adopted by the City Council for the prior year.

No exceptions were noted as a result of performing this procedure.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet No. 6. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled "Article XIII B Appropriations Limit Uniform Guidelines."

This report is intended solely for the information and use of the City Council and management of the City of Beverly Hills, California and is not intended to be, and should not be, used by anyone other than these specific parties.

White Nelson Dick Evans LLP

Irvine, California
February 25, 2015

CITY OF BEVERLY HILLS

APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the Year Ended June 30, 2014

Appropriations limit for fiscal year ended June 30, 2013 (see Note 2) \$ 183,020,074

Adjustment factors for fiscal year ended June 30, 2014 (see Note 2):

Inflation Factor (Note 3)	Population Factor (Note 4)	Combined Factor	
1.0512000	1.0069000	1.05845328	x 0.05845328

Adjustment for inflation and population 10,698,124

Appropriations limit for fiscal year ended June 30, 2014 \$ 193,718,198

See independent accountants' report on applying agreed-upon procedures to Appropriations Limit Worksheet No. 6 and accompanying notes to Appropriations Limit Worksheet No. 6.

CITY OF BEVERLY HILLS

NOTES TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the Year Ended June 30, 2014

1. PURPOSE OF LIMITED PROCEDURES REVIEW:

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

2. METHOD OF CALCULATION:

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for fiscal year 1986-87, adjusted for the inflation and population factors discussed at Notes 3 and 4 below.

3. INFLATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentages are supplied by the State Department of Finance), or the annual percentage change in the local assessment roll from the preceding year due to the change in local nonresidential new construction. The factor adopted by the City of Beverly Hills for fiscal year 2013-2014 represents the annual percentage change for per capita personal income.

4. POPULATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population, or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the City of Beverly Hills for fiscal year 2013-2014 represents the annual percentage change in population for the County of Los Angeles.

5. OTHER ADJUSTMENTS:

A California governmental agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another governmental agency or private entity. The City of Beverly Hills had no such adjustments for the year ended June 30, 2014.

See independent accountants' report on applying agreed-upon procedures to Appropriations Limit Worksheet No. 6.