

Attachment 3

March 21, 2014

Mr. Don Rhoads, CPA
Chief Financial Officer
City of Beverly Hills
455 North Rexford Drive
Beverly Hills, CA 90210

Dear Mr. Rhodes:

We have performed the procedures enumerated below, which were agreed to by you, solely to assist in verifying the accuracy of calculations your staff made in amending the Memorandum of Understanding (MOU) between the City of Beverly Hills (City) and the Beverly Hills Confidential Employees Association, dated January 17, 2014. City's management is responsible for the calculations and related records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in 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.

Our objective, procedures and results are as follows:

Objective: Verify MOU calculations for accuracy.

Procedures:

1. Obtained the final costing numbers between the City and the Beverly Hills Confidential Employees Association and a copy of the draft MOU.
2. Met with City management to discuss the calculations.
3. Reviewed the calculations to verify accuracy and agreement to terms of the MOU.

Results: All calculations were mathematically correct with one exception. We noted that the underlying amount of cash employees are eligible to receive after benefit deductions was incorrectly inputted. After correction, the maximum amount increased from \$405 to \$475 monthly, which is specified in the new MOU. This change resulted in a total cost increase of \$11,478 to the City during year one. This correction was agreed to by City officials.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the calculations and the related accounting records. 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.

This report is intended solely for the information and use of the City and the Beverly Hills Confidential Employees Association and is not intended to be and should not be used by anyone other than those specified parties.

Sacramento, California