

# **Attachment 3**



November 30, 2015

Mr. Don Rhodes, 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 Memoranda of Understanding (MOU) between the City of Beverly Hills (City) and the following employee bargaining groups:

- Beverly Hills Confidential Employees Association
- Beverly Hills Supervisors' Association
- Beverly Hills Firefighters' Association

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 bargaining groups reviewed.
2. Met with City management to discuss the calculations.
3. Reviewed the calculations to verify accuracy and agreement to terms of the MOU.

Results: Most calculations were mathematically correct and supported by underlying documentation in the worksheets; however, there was one incorrect calculation for the Confidential Employees Association. We noted that due to an error in the spreadsheet formula, the "Year 4" estimated salary increase amount for this group incorrectly referenced amounts calculated for the Management and Professional Group. This incorrect formula resulted in a relatively small dollar error. We have advised the City to change the formula to capture the appropriate amounts in the Confidential Employees Association's calculations.

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 respective employee associations as described above, and is not intended to be and should not be used by anyone other than those specified parties.

*Macias Gini & O'Connell LLP*

Sacramento, California