



CITY OF BEVERLY HILLS, CALIFORNIA

GANN Letter

Year ended June 30, 2004



KPMG LLP
Suite 2000
355 South Grand Avenue
Los Angeles, CA 90071-1568

Independent Accountants' Report on Applying Agreed-upon Procedures

The Honorable Mayor and City Council
City of Beverly Hills, California:

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Beverly Hills, California (the City) for the year ended June 30, 2004. These procedures, which were agreed to by the City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in evaluating whether it complied with the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit Worksheet. 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 representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose:

1. We obtained the accompanying Appropriations Limit Worksheet for the year ended June 30, 2004 from the City of Beverly Hills and determined that the Appropriations limit and annual adjustment factors were adopted by resolution of the City Council. We also determined that the population and per capita income factor were selected by a recorded vote by the City Council.
2. For the accompanying Appropriations Limit Worksheet, we added the June 30, 2003 Appropriations limit to the annual permitted adjustment and agreed the resulting amount to the June 30, 2004 Appropriations limit without exception.
3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to supporting worksheets above without exception.
4. We compared the June 30, 2003 Appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year Appropriations limit adopted by the City Council for June 30, 2003 and noted no differences.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance with Section 1.5 of Article XIII B of the California Constitution and the accompanying Appropriations Limit Worksheet. 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 Appropriations limit for the base year, as defined by Article XIII B of the California Constitution.

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 specified parties.

KPMG LLP

February 2, 2006

CITY OF BEVERLY HILLS, CALIFORNIA

Appropriations Limit Worksheet

Year ended June 30, 2004

A.	Appropriations limit at June 30, 2003		\$	129,043,889
	Adjustment factors (1):			
B.	Population			1.0148
C.	Per capita income	x		<u>1.0231</u>
D.	Total adjustment factor			<u>1.0382</u>
E.	Annual permitted adjustment			<u>4,934,881</u>
F.	Appropriations Limit at June 30, 2004		\$	<u><u>133,978,770</u></u>

(1) Based on May 1, 2003 letter from the State Department of Finance, Office of the Director.