CITY OF BEVERLY HILLS, CALIFORNIA

FISCAL YEAR ENDED JUNE 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY of BEVERLY HILLS
STATE of CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

Prepared by the Staff of the Administrative Services Department
Don Rhoads, CPA, *Chief Financial Officer/Director of Administrative Services*

CITY OF BEVERLY HILLS
Incorporated 1914

CITY OF BEVERLY HILLS, CALIFORNIA

Comprehensive Annual Financial Report

Year Ended June 30, 2015

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CITY OF BEVERLY HILLS

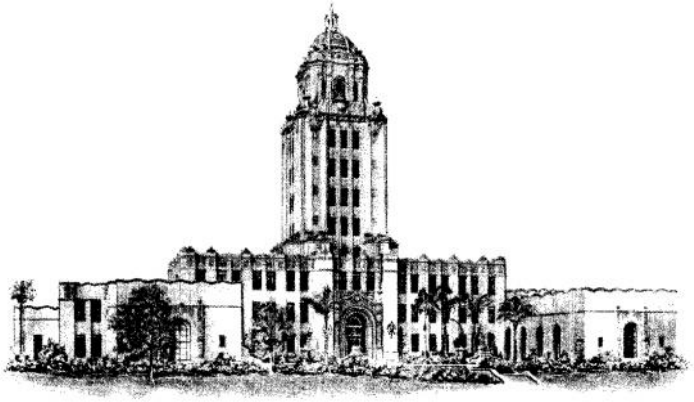
Incorporated 1914

INTRODUCTORY SECTION

The introductory section of the Comprehensive Annual Financial Report provides general information of the City of Beverly Hills, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes the:

- Letter of Transmittal,
- City's Organizational Chart and List of Principal Officials,
- Organizational Chart for the City's Finance Administration Department, and
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

ADMINISTRATIVE SERVICES DEPARTMENT
455 N. Rexford Drive
Beverly Hills, California 90210



CITY OF BEVERLY HILLS

DON RHOADS, CPA
Chief Financial Officer
(310) 285-2411
FAX: (310) 285-2441

December 29, 2015

Honorable Mayor, City Council and
Citizens of the City of Beverly Hills:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report (CAFR) of the City of Beverly Hills, California (City) for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City of Beverly Hills, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by White Nelson Diehl Evans, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Beverly Hills, California for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the City of Beverly Hills, California's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

Profile of the City of Beverly Hills. The City of Beverly Hills was incorporated in 1914 under the general laws of the State of California and is a long-established residential city and commercial center located within Los Angeles County in Southern California. The City, located 10 miles west of the Los Angeles City Hall, occupies a land area of approximately 5.7 square miles and serves a residential population of 34,833[1]. The City estimates that services are provided to a daytime population of 100,000 to 150,000 persons during the day.

The City operates under a Council-Manager form of government. The City Council consists of five members elected at large for overlapping four-year terms. The Mayor is selected from the City Council members and serves a one-year term. The City's only other elected official is the City Treasurer whose term of office is four years. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing

[1] Estimate as of January 1, 2015 – State of California Dept. of Finance.

committees, and appointing a City Manager, City Attorney and City Clerk. In addition, the City Council appoints the members of the following advisory Commissions and Boards:

- Architectural Commission
- Cultural Heritage Commission
- Fine Art Commission
- Human Relations Commission
- Public Works Commission
- Traffic & Parking Commission
- Charitable Solicitations Commission
- Design Review Commission
- Health & Safety Commission
- Planning Commission
- Recreation & Parks Commission
- Community Charitable Foundation

In addition to sitting as the governing body of the City, the City Council also acts as the Board of Directors of two component units: the Parking Authority of the City of Beverly Hills and the Beverly Hills Public Financing Authority. The Parking Authority of the City of Beverly Hills continues as a blended component unit under the criteria of board appointment and financial burden on the primary government, as does the Beverly Hills Public Financing Authority. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's various departments and offices.

The City provides the full range of municipal services as contemplated by statute. Services provided include public safety (police and fire), street construction and maintenance, sanitation, refuse collection, water and sewer utilities, culture-recreation, public improvements, planning and zoning, and general administrative and support services.

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, special revenue funds and permanent funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The City Council also adopts annual financial plans for the enterprise and internal service funds and five-year capital budget plans for capital expenditures accounted for primarily in proprietary funds. All proprietary fund types are accounted for on an economic resources measurement focus. The City is not legally mandated to report the results of operations and capital expenditures for these proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds have not been presented.

The level of appropriated budgetary control is the total adopted budget which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget by action of the City Council. The City utilizes an encumbrance system, whereby commitments such as purchase orders and unperformed contracts are recorded as reserved fund balances at year-end.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. This comparison, beginning on page 33, is presented as part of the basic financial statements for the General Fund. The budget-to-actual comparisons for nonmajor governmental funds with appropriated annual budgets are presented in the Nonmajor Governmental Funds section of this report, and begin on page 90. The budget-to-actual comparison for the Infrastructure Capital Projects Fund, a Major governmental fund of the City, can be found on page 98.

Factors Affecting Financial Condition. From the beginning when the City was planned as a subdivision in 1906, Beverly Hills was designed as a special place. In subsequent years, much has changed, but not the desire to keep it special. As a result, the City has established a tradition of providing residents, business and visitors with a superior level of public safety services, premium life enrichment opportunities and a renowned physical environment.

This fiscal year 2014-15 budget came with a great deal of good news, forecasting continued growth in the City's micro-economy but also some significant challenges that the City must address. Despite transfers from the General Fund to the Clean Water Fund, and the Capital Improvement Program the budget had no cuts or one-time measures to achieve balance.

City staff approaches budgeting conservatively: Revenues are projected at the low end of expectations and expenditures are projected at potential full cost. This approach to budgeting frequently results in a year-end surplus and has yet to result in a deficit. The FY 2015/16 adopted budget includes no one-time reductions or ongoing cuts and thus no reduction in service levels. On the contrary, this budget projected significant surpluses in the five-year forecast going forward. For example, the growing economy has increased the demand for development services and increases in occupancy of City-owned building space have increased maintenance requirements. The City Council also increased spending in areas where it would result in future cost savings, such as the repair of uneven sidewalks, and removal and replacement of street trees causing damage to sidewalks.

Economic Outlook

The City has enjoyed excellent economic growth over the last four years. Even when the national economy continues its slow steady growth, Beverly Hills economy has taken off with strong growth. This growth is driven by tourism, retail shopping attraction, strong commercial leasing and low vacancies, and home value appreciation. While these revenues continue to increase, the rate of that increase in sales and use tax, and transient occupancy tax has slowed and we are now expecting flatter growth in the future. Risks and uncertainties that could cause our local economy or at least our revenue base to contract remain a concern. Among these are:

- Traffic impacts from various public and private construction projects which could impact visits and retail sales in the City
- A slowing housing market
- The Federal Reserve Board's raising its discount rate
- The effect of a strong dollar on tourism attraction and retail spending in the City
- Geopolitical and economic events which might impact tourism or spending
- Global growth slowdown or contraction as we are seeing in Greece and China

Construction volume in the City remains high which bodes well for future economic activity in the City. This activity has also stretched our Community Development staffing, which resulted in City Council approval of several budget enhancement requests to address that level of needed resources.

This steady growth has given the economy momentum and the City has benefitted. GDP growth is expected to be 2.9% in FY 2015/16 and 3% the following year. The median sales price of detached single-family residences in Beverly Hills as of the three quarters ended September 30, 2015 was $5 million and has leveled off somewhat in the last few quarters. Sales tax receipts grew 6.7% in the quarter ended June 30, 2015 with auto sales, family apparel and fine dining showing particularly strong growth. Likewise, transient occupancy tax receipts through September 2015 were up 3.8% over the previous year, though this revenue source is showing signs of slowing down. Receipts from three of the four major tax revenue sources, sales, property, and business, are all projected to surpass original estimates for FY 2015/16. These drive the General Fund revenues and suggest continued growth for the City's economic base.

Budget Summary

The City Council adopted the 2015/16 budget with General Fund revenues of $213.3 million, General Fund expenditures of $184.8 million, and net transfers of $12.2 million. This is an increase in revenue of 7.7% and of expenditures of 6.1% compared to the FY 2014/15 budget. The combined operating budget for all funds provides for revenues of $428.8 million, expenditures of $384.2 million and total transfers out of $12.5 million. This represents an increase of 6.2% in revenue and 4.4% in expenditures when compared to last year's budget.

Cost Containment Efforts
Continuing cost containment efforts include memoranda of understanding (MOU) between the City and public safety bargaining groups (police and fire), which take significant steps toward reducing future growth by implementing a lower tier of pension for newly hired employees with current membership in PERS and a phase-in of employees sharing pension costs. A new tentative agreement was reached with the fire employee bargaining group that, if approved by City Council, will shift the payment of the employee share of the pension cost from the City back to the employee, offset with an equivalent increase in pay. In recent years, the City has contained the growth of health benefit costs through the implementation of defined contributions for retiree health benefits for newly hired employees, cafeteria plans in which employees share the cost of rising health insurance costs and lower cafeteria benefit levels for newly hired employees.

By taking the above actions, the City is better able to serve the community and provide for continued investment in infrastructure and facilities using the revenue sources available to the City.

City Council Priorities
In December 2014, the City Council met to establish its priorities for FY 2015/16. Typically, a substantial portion of the budget enhancement requests are designed to address City Council priorities: either new priorities or full implementation of programs established in prior years. A complete list of the City Council priorities for FY 2015/16 is included in the Supplemental Information Section of the budget. Below are City Council "A" priorities for FY 2015/16:

- Support for Beverly Gardens Park Restoration Project
- Technology
- Santa Monica Blvd. Reconstruction and
- Traffic Mitigation Plan
- Small Business Task Force
- Southeast Task Force Implementation
- Community Visioning and Strategic Planning
- Unfunded Liabilities
- Public Safety
- Open Space
- Subway Coordination
- Advance Capital Investment in the Community
- Dog Park
- La Cienega Park and Community Center Master Plan
- Property Acquisition
- Water Enterprise Master Plan
- City Sustainability Plan
- Moreno Traffic Mitigation

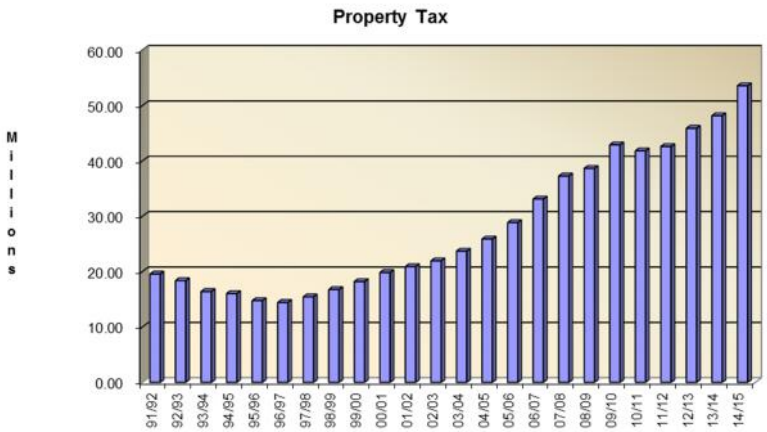
Revenues
Fiscal Year 2014/15 General Fund revenues performed well. This is largely the result of increases over the prior year in major revenue sources such as property tax, sales tax, transient occupancy tax and business tax, all of which were up between 4% and 5% for the year.

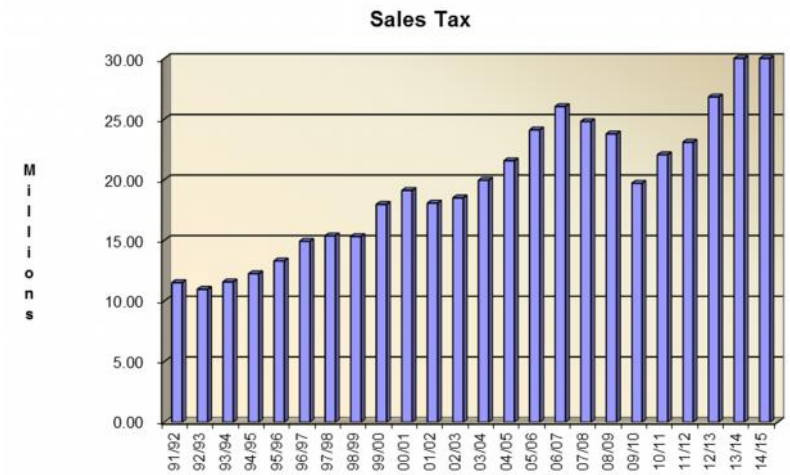
Property Tax

Property taxes are levied based on assessed values, which grew 9.1% this past year. Real estate sales in FY 2014-15 were up as the market continued to gain strength resulting in a $2.0 million (3.9%) increase in property taxes to a total of $51.7 million.

Sales Tax

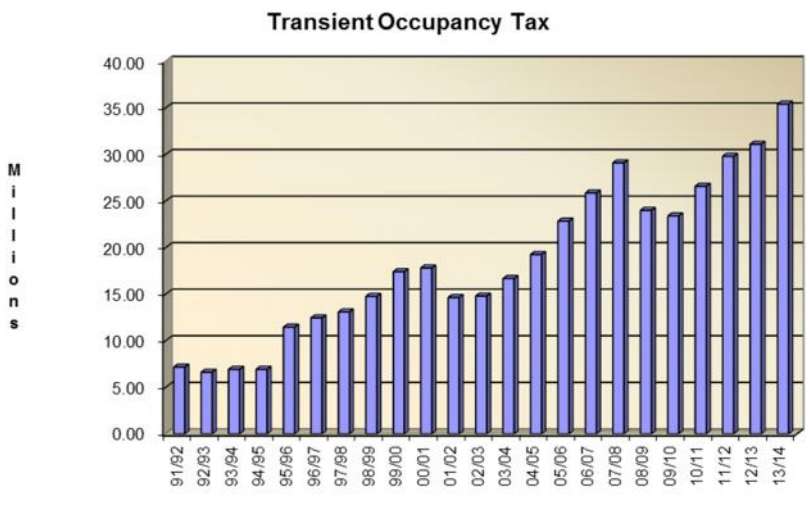
Sales taxes are a direct reflection of the general economy; the increase of $1.5 million (4.9%) to $31.3 million in 2014-15 reflects the continuing improvement in the economy. A similar growth rate of 4.8% is projected for the current fiscal year, 2015/16. Significant new retail development in Century City will provide competition in the near future that could impact sales tax receipts in Beverly Hills.

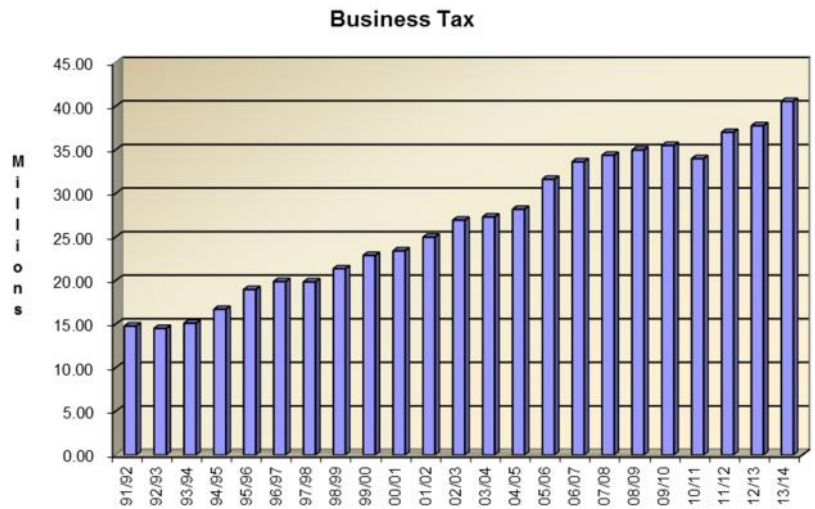




Transient Occupancy Tax

Transient occupancy tax revenues increased $1.3 million (3.6%) from the prior year to $36.7 million as a result of improving, though slower-growing, economic conditions. For the current fiscal year, we forecast an increase of 5.5% in transient occupancy revenue, with projected year-end revenue of $39.1 million. Given transient occupancy receipts since fiscal year end, it is possible that we may have to reduce that initial estimate.





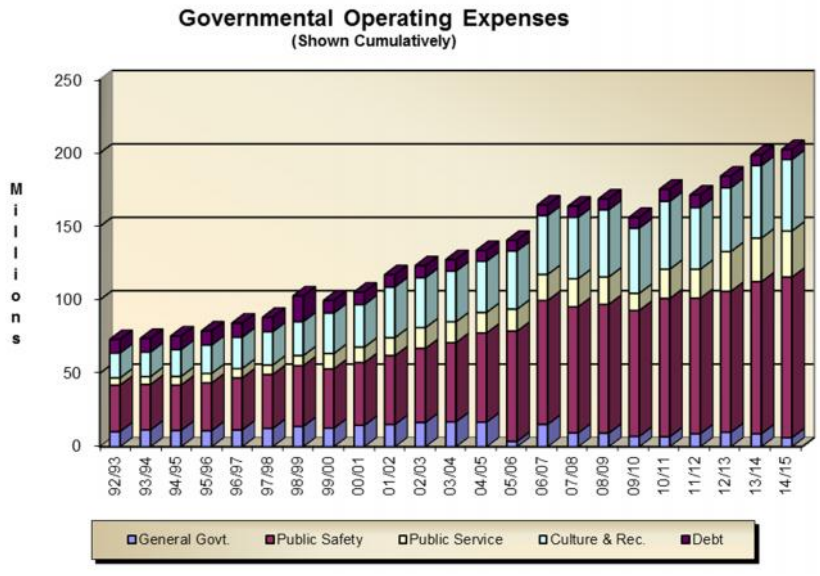
Business Tax

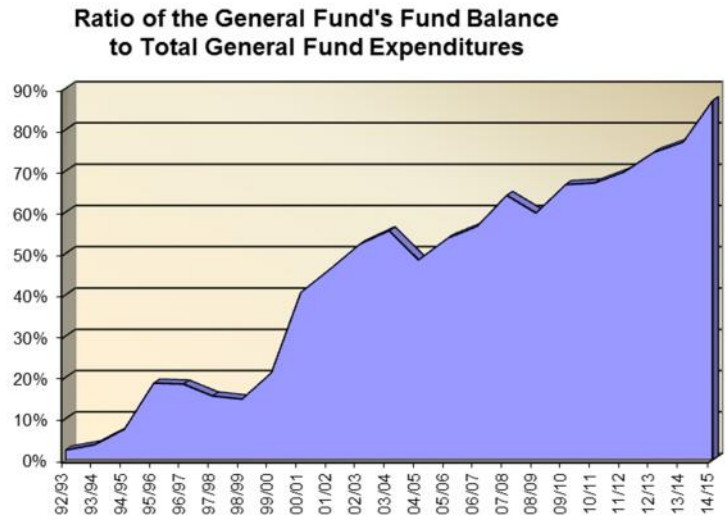
Business tax revenue reached a new high in FY 2014/15 of $42.5 million, growing $2.0 million (4.9%). For commercial leasing, retail and certain other categories of businesses, the business tax is computed on gross receipts. As a result, rising occupancy, lease rates and growth in retail sales all contributed to the growth of this revenue. The 2015/16 budget used a conservative estimate of 2.3% growth for business tax revenue.

Expenditures

Year-end General Fund expenditures for FY 2014/15 were $172.8 million. This is approximately $7.5 million or 4.2% below the funds appropriated by the City Council for that fiscal year. The FY 2014/15, operations expenditures for all funds were $358.2 million, which represents a savings of $7.4 million or 2% when compared to appropriations. Much of the expenditure savings is the result of job vacancies, which result in salary and benefits savings, and a general budgetary philosophy that encourages fiscal prudence.

The following chart examines the City's governmental (i.e. non-business type) expenditures over the past several years and illustrates how the cost control measures implemented were able to keep expenses well within available resources.





Perhaps the best measure of the City's effectiveness in weathering an economic downturn and building sustained growth for the future is its ability to build fund reserves. As a rule of thumb, a city should maintain sufficient reserves to weather the worst potential emergency scenarios. Ideally, municipalities would maintain a reserve equal to 25% to 50% of their annual General Fund operating expenditure budget. In the accompanying chart, the change in the ratio of the fund balance of the City's General Fund to total expenditures is presented. As this chart demonstrates, the actions taken by the City have effectively improved revenues, controlled expenditures and allowed the City to increase its reserves for future needs.

Budget Enhancements

This year departments submitted 111 requests for budget enhancements. The amount requested was $11.4 million. After staff reviewed the requests, 96 of them were recommended to the City Council, plus 3 additional only if the Water Enterprise plan is approved. The total cost of recommended enhancements was $8.3 million. The three enhancements contingent upon approval of the Water Enterprise Plan had a total cost of $931,107.

After reviewing the budget enhancements recommended for approval, the City Council concurred with the requests, but wished to reduce the total cost of the amount requested. The City Council adopted the budget with a requirement that the total cost be reduced $1 million and authorized the City Manager to identify the necessary changes in the enhancements to arrive at that reduction in cost.

Enterprise Funds with Structural Imbalance

Because the Clean Water Fund is organized as a self-supporting enterprise fund, its operating revenues are expected to support its operations. Unfortunately, the revenue stream for this fund does not grow from year to year because of limitations on the adjustment of fees to match operating and capital expenditure requirements. While revenues remain constant the costs of managing and treating storm water are increasing, as well as the cost of operations and capital improvements. The primary driver of these increases is the increased level of treatment and management of storm water mandated by state and federal Agencies.

During FY 2014/15, the General Fund transferred a total of $2.6 million into the Stormwater Fund. The Stormwater Fund had an operating loss of $1.5 million in FY 2014/15, and $6.6 million in positive net position at fiscal year-end. The adopted budget includes a transfer of $5.5 million from the General Fund to the Stormwater Fund to make the fund whole.

Of course, this is not a good model for an enterprise (self-supporting) operation. Use of General Fund revenues to subsidize enterprise funds is generally regarded as a warning sign that, if unresolved, can cause future fiscal problems for the fund and the city. The imbalance of this fund's expenditure obligations and revenue must be resolved in order to ensure the continued sound fiscal condition of the City. It should be noted that user fees for the Clean Water Fund cannot be raised without voter approval.

Public Employees Retirement System (PERS) Costs

The City is a member of the California Public Employee Retirement System (CalPERS). The current retirement formulas for Beverly Hills fall into two general categories: Public Safety and Miscellaneous Members. In prior agreements with public safety bargaining groups, a new, lower cost, pension tier was created. In addition, after the City concluded its negotiations with the public safety bargaining units, the California Legislature passed the Public Employee Pension Reform Act (PEPRA). As a result the City now has three tiers of pensions for Public Safety employees: 3%@50, 3%@55, and 2.7%@57.

For Miscellaneous employees (non-safety) the City currently provides a pension plan with a formula of 2.5%@55. Under PEPRA, newly hired employees who have not worked in a CalPERS participating or reciprocal agency within the past six months before hire will be placed in the new tier of 2%@62.

Both the new safety and miscellaneous tiers will provide long-term cost savings to the City. But since they only apply to newly hired employees, it will take a few years for these savings to be realized. Current actuarial projections show safety rate rising from 41.3% in 2015/16 to 51.1% in 2020/21; and miscellaneous rates rising from 18.8% in 2015/16 to 23.2% in 2020/21. However, because of the newly implemented lower-cost plans, these rates are projected to stabilize in 2019/20 and begin to slowly drop after that.

CalPERS experienced excellent returns on investments recent years, reporting a 13% return in 2012/13 and 18% in 2013/14. However, for 2014/15 their return was only 2.4%, much lower than their target earnings rate of 7.5%. The total unfunded liability dropped from $213 million as of June 30, 2012 to $192 million as of June 30, 2013, and dropped again to $184 million as of June 30, 2014.

A new reporting methodology required by GASB 68, which provides guidance on how to report the City's net pension liability, went into effect with these financial statements. Essentially, GASB requires that the net pension liability, formerly reported only in the notes to the financial statements, be moved to the Statement of Net Position. This reporting treatment will better highlight this important and substantial obligation.

Capital Improvement Plan (CIP)

The Capital Improvement Plan for FY 2015/16 includes $10 million of general capital funding, which is made up of a $5 million transfer to the Infrastructure Fund from the General Fund and $5 million in Capital Assets replacement internal service charges. Capital improvement investments from all funds this year total $59.5 million. Capital initiatives for the coming year include reconstruction of Santa Monica Boulevard, facilities improvements for energy efficiency, LED street light replacement, ground water development and storage as contained in the Water Enterprise Plan, and Storm Water treatment facilities.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Administrative Services department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report.

In closing, without the leadership and support of the City Council of the City, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

Sincerely,

Mahdi Aluzri
City Manager

Don Rhoads
Chief Financial Officer

CITY OF BEVERLY HILLS, CALIFORNIA

Principal City Officials

Elected Officials

City Council

Mayor	Julian A. Gold MD
Vice Mayor	John A. Mirisch
Councilmember	William W. Brien MD
Councilmember	Nancy H. Krasne
Councilmember	Lili Bosse

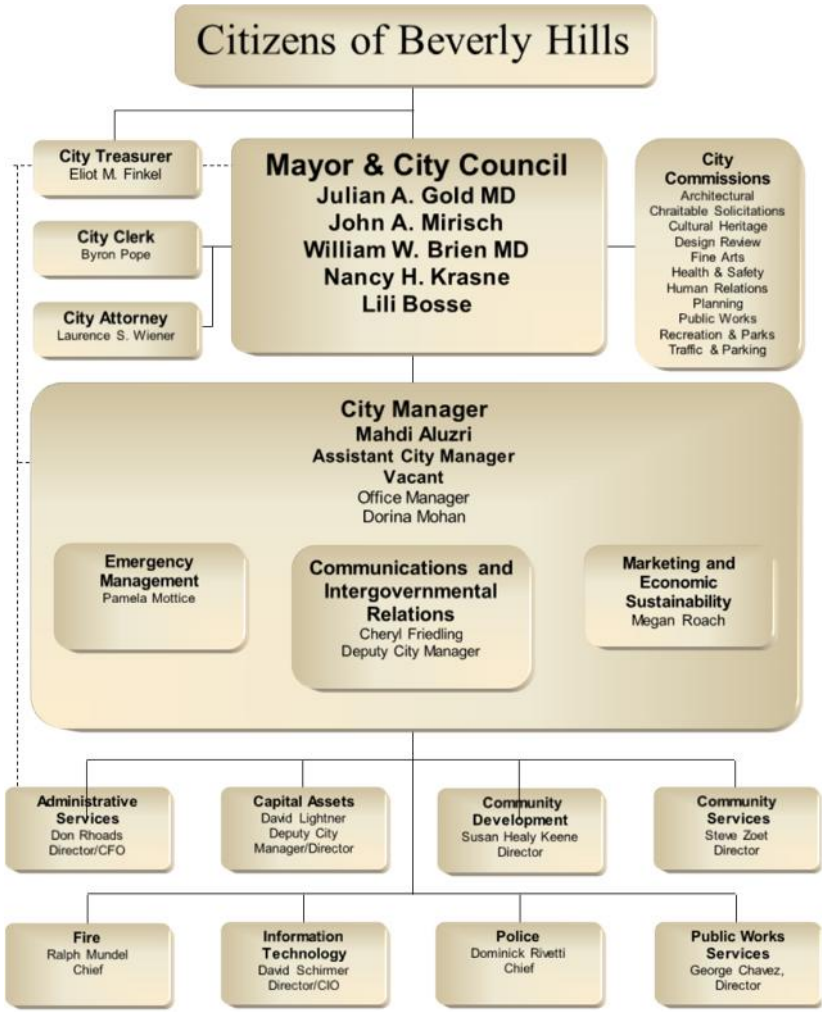
City Treasurer
Eliot M. Finkel

Appointed Officials

City Manager	Mahdi Aluzri
Assistant City Manager	Vacant
City Attorney	Laurence S. Wiener
City Clerk	Byron Pope
Director of Administrative Services/ Chief Financial Officer	Don Rhoads
Deputy City Manager/Director of Capital Assets	David Lightner
Deputy City Manager/Communications and Intergovernmental Relations	Cheryl Friedling
Fire Chief	Ralph Mundel
Interim Police Chief	Dominick Rivetti
Director of Community Development	Susan Healy Keene
Director of Community Services	Steven Zoet
Director of Public Works Services	George Chavez
Director of Information Technology	David Schirmer

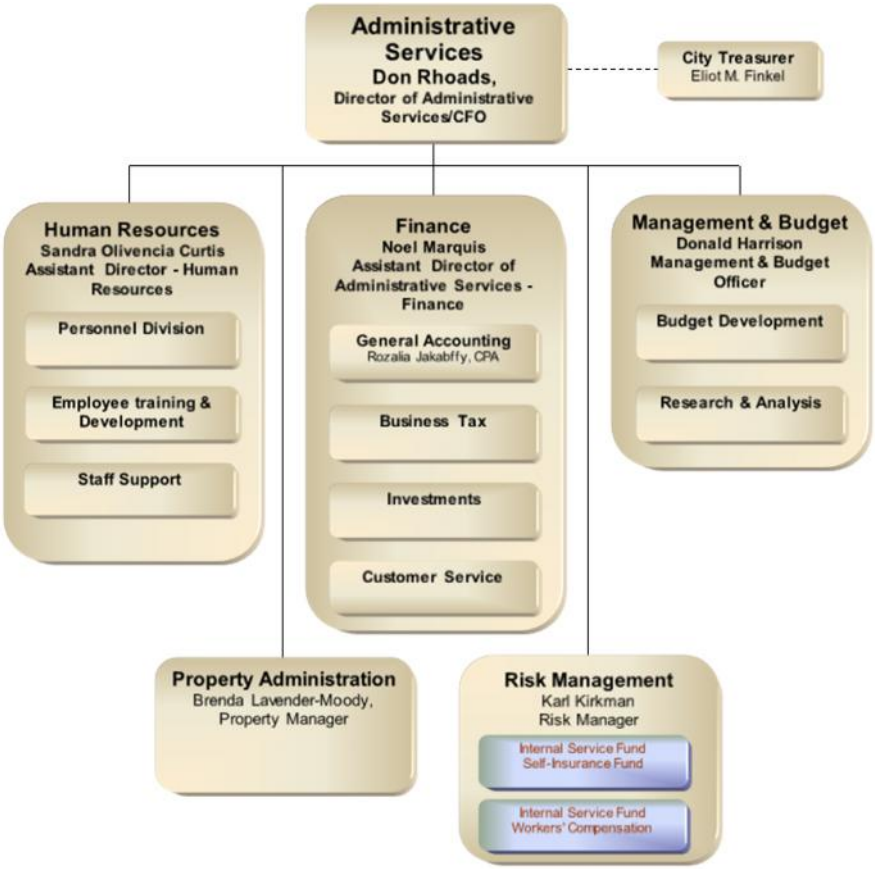
CITY OF BEVERLY HILLS, CALIFORNIA

Organizational Chart



CITY OF BEVERLY HILLS, CALIFORNIA

Department of Administrative Services Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Beverly Hills

California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beverly Hills for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the twenty-eighth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

FINANCIAL SECTION

The financial section contains the City's basic financial statements and required supplementary information (management's discussion and analysis and funding progress of the City's two defined benefit pension plans), as well as the independent auditors' report. In addition, the financial section provides information on each individual fund and component unit for which data are not provided separately within the basic financial statements.

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Beverly Hills
Beverly Hills, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City of Beverly Hills, California (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

2875 Michelle Drive, Suite 300, Irvine, CA 92606 • Tel: 714.978.1300 • Fax: 714.978.7893

Offices located in Orange and San Diego Counties

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beverly Hills, California, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 68, "Accounting and Financial Reporting for Pensions" and Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68". The adoption of these standards required retrospective application resulting in a $205,636,931 and $14,193,855 reduction of previously reported net position of the governmental activities and business-type activities, respectively. Additionally, the reclassification of the Community Charitable Foundation from a private purpose trust fund to a blended component unit of the city resulted in a $135,394 increase in previously reported fund balance of the other governmental funds and governmental activities. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, the schedules of contributions – defined benefit plans, and the schedule of funding progress – other post-employment benefits, identified as required supplementary information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The combining and individual non-major fund financial statements, the schedules of revenues, expenditures and changes in fund balances - budget and actuals, and the schedules of capital assets used in the operation of governmental funds, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015 on our consideration of the City of Beverly Hills, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

White Nelson Diehl Evans LLP

Irvine, California
December 29, 2015

CITY OF BEVERLY HILLS
Incorporated 1914

CITY OF BEVERLY HILLS, CALIFORNIA

Management's Discussion and Analysis

June 30, 2015

As management of the City of Beverly Hills, California (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 9 of this report.

(A) Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $691.0 million (*net position*). Not including the impact of a new accounting requirement, GASB 68, this would have amounted to an increase of $48.2 million over the net position of the previous fiscal year. However, GASB 68 requires that the net pension liability of the City, which was formerly reported in the notes to the financial statements, be moved to the Statement of Net Position. For this reason, the reported net position of the City as of June 30, 2015 is $136.0 million lower than the previous year. The unrestricted portion of net position as of June 30, 2015 is $276.2 million and may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds (e.g. General Fund, Capital Projects Funds, Special Revenue Funds, etc.) reported combined fund balances of $237.5 million, an increase of $52.8 million from the prior year. Of this amount, $162.0 million, or approximately 68%, of total fund balances are reported as either "Committed" ($32.7 million), "Assigned" ($5.0 million), or "Unassigned" ($124.3 million) fund balances, making them available for spending at the City's discretion (*in compliance with Governmental Accounting Standards Board's (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions see Note 14*). This increase in the City's governmental funds reported combined fund balances was the result of continued strong tax revenue growth, lower capital outlay expenditures in these funds, and a reduction in transfers out to the Parking Authority fund.
- At the end of the current fiscal year, the Committed, Assigned and Unassigned fund balance for the General Fund alone was $133.8 million, or 90% of total General Fund balance. The largest portion of this total represents the amount set aside by Council policy for emergencies and contingencies equal to 40% of General Fund revenues, or $86.0 million. These amounts are available for spending at the City Council's discretion subject to applicable policies, commitments or assignments.
- The City's net capital assets (land, buildings, equipment, infrastructure, less accumulated depreciation) were relatively stable at $669.2 as of June 30, 2015.
- Not accounting for the new change in accounting standards required by GASB 68, the City's net long-term liabilities decreased by $17.0 million to $278.5 million, primarily as the result of ongoing debt payments. However, with the accounting change requiring that the net pension liability of $184.2 million be reported on the balance sheet rather than in the notes to the financial statements, the City's total long-term liabilities were $462.7 million at June 30, 2015.

(B) Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: government-wide financial statements, fund financial statements and notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public services, culture and recreation and debt service. The business-type activities of the City include operations of its water, wastewater and solid waste utilities, parking facilities operations and storm water activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also activities of three legally separate component units: the Parking Authority of the City of Beverly Hills, the Beverly Hills Public Financing Authority, The City of Beverly Hills Charitable Community Foundation. Because the City Council acts as (or appoints) the governing board for each of these component units and because they function as part of the City government, their activities are blended with those of the primary government. The government-wide financial statements can be found on page 26-28 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Infrastructure Capital Projects Fund, each of which are considered to be major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the *Additional Financial Information* section of this report.

The City adopts an annual appropriated budget for its General Fund, each of its special revenue funds, its debt service fund, its capital projects fund and its permanent funds. A budgetary comparison statement is provided for each of the City's governmental funds to demonstrate compliance with this budget. The budgetary comparison statement for the General Fund is located in the basic financial statements; the budgetary comparison statements for the Infrastructure Capital Projects Fund and the non-major governmental funds are presented in the Addi-

tional Financial Information section of this report. The basic governmental fund financial statements can be found on pages 29-34 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater and solid waste utilities, its parking facilities operations and its storm water activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the following activities:

- Information technology assets and services,
- Governmental capital assets and related debt (except for infrastructure and fine art collection assets and related debt which are each maintained in a separate fund and reported as part of the governmental activities columns of the government-wide financial statements),
- Vehicles and wheeled equipment,
- Office and Operational Equipment,
- Reprographics equipment and operations,
- Cable television operations,
- Policy, Administration and Legal services,
- Self-insurance activities, including:
  - Liability insurance,
  - Workers' compensation,
  - Unemployment insurance, and
  - Employee benefits.

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater, Solid Waste, Parking Facility, Storm water and Parking Authority operations, each of which is considered a major fund of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *Additional Financial Information* section of this report. The basic proprietary fund financial statements can be found on pages 35-39 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 42-80 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 81-83 of this report.

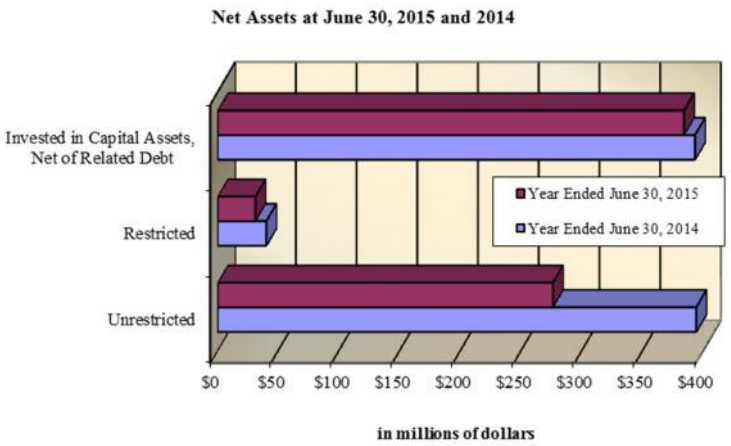
The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, together with information on the Infrastructure Capital Projects Fund budget comparison and capital assets used in the operation of governmental funds (those capital assets not included in internal service funds), are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules, and information on governmental fund capital assets can be found on pages 84-110 of this report.

(C) Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by $691.0 million at the close of the most recent fiscal year.

A large portion of the City's net position, $383.7 million (55.5%), reflects its net investment in capital assets (e.g., land, buildings, utility and general government infrastructure, machinery and equipment, etc.), less any related

debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



Another large portion of the City's net position, $276.2 million (40.0%), is unrestricted and, as noted earlier, is available to meet the City's ongoing obligations to citizens and creditors.

An additional portion of the City's net position, $31.1 million (4.5%), represents resources that are subject to external restrictions on how they may be used. Examples include restrictions on funds to be used for repayment of long-term debt, construction of capital assets (unspent proceeds from long-term debt issues) and to restrictions in the City's special revenue and permanent funds.

At the end of the fiscal year then, due to the City's strong financial position and despite the addition of the net pension liability to the Statement of Net Position this year, we are able to report strong positive balances in net position for both its governmental activities as well as its business activities.

The City's governmental current assets increased by $74.6 million (primarily strong growth in cash and investments) to $420.2 million, while current assets for business-type activities remained flat at $130.3 million.

City of Beverly Hills' Net Position (000's)
As of June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	$ 420,200	345,639	130,346	130,418	550,546	476,057
Restricted and other assets	49,050	66,391	(36,848)	(39,346)	12,202	27,045
Capital assets	367,243	371,490	301,918	300,824	669,161	672,314
Total assets	836,493	783,520	395,416	391,896	1,231,909	1,175,416
Deferred outflows of resources	18,479	4,116	3,860	3,178	22,339	7,294
Current liabilities	44,704	41,109	16,974	18,119	61,678	59,228
Long-term liabilites, net of current portion	330,874	167,293	131,861	128,220	462,735	295,513
Other liabilities	-	-	-	-	-	-
Total liabilities	375,578	208,402	148,835	146,339	524,413	354,741
Deferred inflows of resources	35,082	-	3,749	928	38,831	928
Net position:						
Net investment in capital assets	240,366	221,177	143,390	172,211	383,756	393,388
Restricted	21,695	33,527	9,402	6,500	31,097	40,027
Unrestricted	182,251	324,530	93,900	69,096	276,151	393,626
Total net position	$ 444,312	579,234	246,692	247,807	691,004	827,041

The City reported a slight decrease of $3.1 million in net capital assets. This consisted of a $4.2 million reduction related to governmental activities and a $1.1 million increase in net capital assets for business-type activities. The decrease in net capital assets for governmental activities was due to the depreciation recorded last year for these assets.

Long-term liabilities increased by $167.2 million due to the change in accounting standard noted earlier (GASB 68) that requires the reporting of the City's net pension liability on the Statement of Net position rather than in the notes to the financial statements. Net pension liabilities totaled $184.2 million at June 30, 2015, so without the change brought on by GASB 68, long-term liabilities would have dropped by $17.0 million.

Given the GASB 68 change just noted, the City's net position decreased by $136.0 million during the current fiscal year. Total adjusted

revenues increased 4.1% ($15.3 million). The City experienced an increase of 6.6% in tax revenues ($10.8 million), and a 2.7% ($5.1 million) increase in revenue from charges for services provided. The increase reflects the continued improvement to economic conditions in the Westside of Los Angeles area.

Total expenses increased by 1.1% ($3.4 million) over the prior year. The increases were primarily for public safety and public service functions.

Governmental Activities

The total growth in net position for the City was $48.2 million for the fiscal year ended June 30, 2015. However, the implementation of GASB 68 effectively moved the City's net pension liability of $184.2 million from the notes to the financial statements to the Statement of Net Position. Therefore, due to this accounting change, the net position of the City decreased to $691.0 million.

The primary factors in the growth in governmental revenues were as follows[1]:

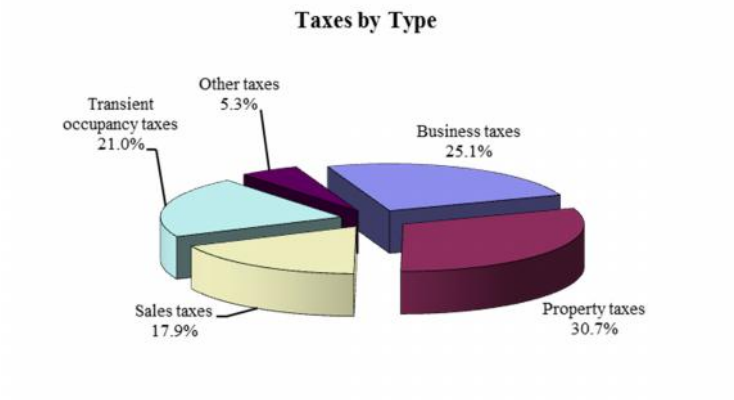
- Business taxes, which are primarily levied based on the gross receipts of the business in the prior calendar year, increased by $2.0 million (4.9%) to $42.5 million in 2014-15.
- Property taxes are levied based on assessed values and real estate sales in FY 2014-15 were up as the market continued to gain strength. This resulted in a $2.0 million (3.9%) increase in property taxes to a total of $51.7 million.
- Sales taxes are a direct reflection of the general economy; the increase of $1.5 million (4.9%) to $31.3 million in 2014-15 reflects the continuing improvement in the economy.
- Transient occupancy tax revenues increased $1.3 million (3.6%) from the prior year to $36.7 million, also as a result of improving economic conditions.

City of Beverly Hills' Changes in Net Position (000's)
As of June 30, 2015 and 2014

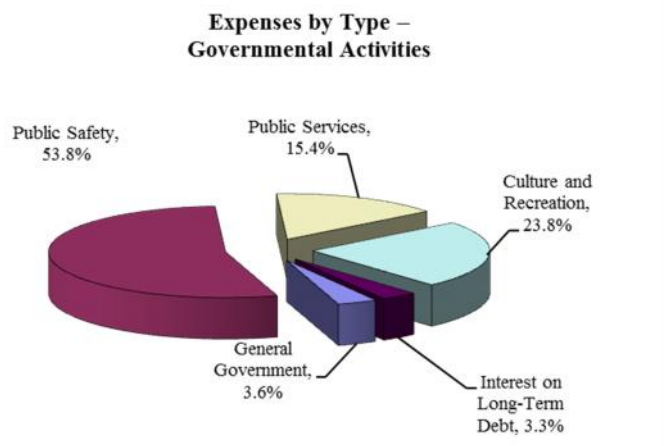
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 72,335	66,600	118,522	119,197	190,857	185,797
Op. grants & cont.	1,113	2,942	-	9	1,113	2,951
Cap. grants & cont.	6,959	3,035	224	300	7,183	3,335
General revenues:						
Taxes	174,644	163,814	-	-	174,644	163,814
Investment earnings	8,715	10,284	1,416	1,958	10,131	12,242
Other	3,566	6,678	5,207	2,564	8,773	9,242
Total revenues	267,332	253,353	125,369	124,028	392,701	377,381
Expenses:						
General government	7,389	8,943	-	-	7,389	8,943
Public safety	109,831	103,513	-	-	109,831	103,513
Public services	31,568	29,748	-	-	31,568	29,748
Culture and recreation	48,716	49,381	-	-	48,716	49,381
Interest on LT debt	6,824	7,132	-	-	6,824	7,132
Water	-	-	31,610	32,374	31,610	32,374
Parking facilities	-	-	16,556	17,086	16,556	17,086
Solid waste	-	-	15,004	14,762	15,004	14,762
Wastewater	-	-	8,613	9,984	8,613	9,984
Stormwater	-	-	3,202	2,836	3,202	2,836
Parking authroity	-	-	29,730	29,851	29,730	29,851
Total expenses	204,328	198,717	104,715	106,893	309,043	305,610
Excess (deficiency) of revenues over expenditures	63,004	54,636	20,654	17,135	83,658	71,771
Transfers	7,575	(10,400)	(7,575)	10,400	-	-
Increase in net assets	70,579	44,236	13,079	27,535	83,658	71,771
Net position, July 1	579,234	536,294	247,807	221,972	827,041	758,266
Restatement of net position	(205,502)	(1,296)	(14,194)	(1,700)	(219,696)	(2,996)
Net position, June 30	$ 444,311	579,234	246,692	247,807	691,003	827,041

[1] Certain property tax and business tax receivables are not available to pay for current-period expenditures and, therefore, are presented as unavailable funds in Governmental Funds. Year-end entries are recognizing these revenues for purposes of the government- wide financial statements. Similarly, property and business license tax revenues related to prior periods are eliminated against beginning government-wide governmental column net assets. The net effect of these entries is increasing the business tax revenue by $1.2 million to$43.8 million and property tax by $1.8 million to $53.6 million.

The four major tax sources are relatively evenly split, which reduces the City's reliance on any one source and provides for a wide, diversified and stable tax base.



The City continued its efforts to maintain effective cost controls. Governmental activities expenses during FY 2014-15 were allocated as shown in the following chart:



- Public safety expenses increased 6.1% to $109.8 million.
- Public services expenses increased 6.1% to $31.6 million.
- Culture and recreation expenses were flat at $48.7 million.
- Capital outlay for governmental activities dropped by $10.6 million to $6.7 million with the completion of the Roxbury Community Center.

Business-type Activities

Business-type activities increased the City's net position by $13.1 million in 2014-15. However, due to a change in accounting principle related to the reporting of net pension liabilities (GASB 68), net position for business-type activities overall was essentially flat at $246.7 million. Other key factors related to business-type activities include:

- Charges for services dropped by $0.7 million (0.6%) from the prior year to $118.5 million, primarily due to the impact of increased water conservation on the revenues of the Water Fund.
- Likewise, operating expenses in the business-type activities decreased by $1.8 million (1.8%) in FY 2014-15 to a total of $96.8 million.

(D) Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows and outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds report combined ending fund balances of $237.5 million, an increase of $52.9 million over the prior year. Operations for the current year provided a $14.4 million (6.6%) increase in revenues to $231.1 million, with most of that change coming from an increase in tax revenues and licenses and permits. A $6.8 million (3.6%) decrease in expenditures to $182.7 million was mostly due reduced capital outlay expenditures. Net transfers to governmental funds from other funds were $4.4 million for the year.

In compliance with GASB Statement No. 54, the components of the new fund balance include the following line items:

a) **Nonspendable fund balance** - $15.6 million (inherently nonspendable) include the portion of net resources that cannot be spent because of their form, and the portion of net resources that cannot be spent because they must be maintained intact.
b) **Restricted fund balance** - $59.9 million (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other government
c) **Committed fund balance** - $32.7 million (self-imposed limitation set in place prior to the end of the period) Limitation imposed at the highest level of decision making that requires formal action at the same level to remove.
d) **Assigned fund balance** - $5.0 million (limitation resulting from intended use) consists of amounts where the intended use is established by the highest level of decision making.
e) **Unassigned fund balance** - $124.3 million (residual net resources) is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance and the excess of nonspendable, restricted, and committed fund balance over total fund balance.

The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users. *(Please see Note 14 for more information)*

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance components were reported as nonspendable, $15.6 million; committed, $4.4 million; assigned, $5.0 million: and unassigned $124.4 million for a total General Fund balance of $149.4 million.

The fund balance of the City's General Fund increased by $21.0 million during the current fiscal year. Key factors in this increase are as follows:

- Tax revenues increased $6.1 million (3.7%). The majority of tax revenue is reported in the General Fund. The nature of the taxes and the reasons for the change in these revenue sources is the same as described earlier for governmental activities.
- The City experienced an increase of 3.6% ($6.0 million) to $172.8 million in General Fund expenditures during FY 2014-15, the majority of which was in the public safety functions.

Enterprise Funds

The City's enterprise funds account for financial transactions of the City's business-type function that primarily serve external customers. Unrestricted net position of the enterprise funds totaled $93.9 million, an increase of $24.8 million (35.9%). The large increase to unrestricted net position is the result of a $47.5 million reduction in "net investment in capital assets" in the Parking Authority fund due to a change in accounting standards. Formerly, the Parking Authority was not able to count the long-term interfund loan when calculating "net investment in capital assets," but now such loans can be factored in. This is a much more meaningful presentation in that "net investment in capital assets" is now actually the net of total capital assets (net of accumulated depreciation) less "advances from other funds" that were made to finance the capital assets

Other factors concerning the finances of these funds are as follows:

- Operating revenue for the Water Enterprise decreased $2.5 million (6.6%) due to water conservation efforts and operating expenses decreased slightly by $0.7 million (2.3%). After factoring in non-operating items and a change in accounting principle related to net pension liabilities, net position in the Water Enterprise increased by $3.0 million to $92.1 million.
- Operating revenue for the Parking Facilities Enterprise increased $0.4 million (1.6%) and operating expenses were flat. After non-operating items are included, net income was $10.4 million. Transfers out amounted to $16.6 million during the year. Most of this amount was related to funds not spent on the Crescent Street Garage project (which came in well under budget) that was transferred to another fund for use by other projects. This transfer, plus net income and the effect of a change in accounting principle, reduced net position in the fund by $10.9 million to a negative $16.8 million. It should be noted, however, that when the parking operation is viewed as a whole, that is, including the operations of the Parking Authority, there is a positive net position of over $56.7 million.
- Operating revenue for the Solid Waste Enterprise increased $0.6 million (4.1%) to $15.9 million, while operating expenses increased $0.2 million (1.6%) to $15.0 million, producing operating income of $0.9 million. Overall, the change in net position in the Solid Waste Enterprise Fund improved $1.1 million. However, after factoring in a one-time change in accounting principle, net position decreased by $1.5 million to $17.1 million.
- Operating revenues for the Wastewater Enterprise decreased $0.4 million (2.8%), and expenses decreased $1.3 million (14.1%) due to a drop in maintenance and operating costs. Overall, net position increased $3.9 million to $74.2 million.
- Operating revenues for the Stormwater Enterprise dipped slightly by $31.3 thousand (1.8%), and expenses were up $366.4 thousand (12.9%), generating an operating loss of $1.4 million. Subsidy transfers in of $2.7 million, the net loss and a change in accounting principle related to net pension liabilities reduced the net position in the Fund by 3.4% to $6.6 million.
- Operating revenues for the Parking Authority increased $1.3 million (4.8%), while operating expenses were flat at $27.8 million. This generated operating income of $49.0 thousand. However, after factoring in non-operating transactions, such as interest on debt service, and transfers into the Fund, the change in net position was $4.7 million and totaled $73.5 million at fiscal year-end.

Internal Service Funds

The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its information technology assets and services, governmental capital assets and related debt (except for infrastructure and fine art collection assets and related debt), reprographics equipment and operations, cable television operations and the Policy, Administration and Legal services provided. The City also uses internal service funds to account for its self-insurance activities, including liability insurance, workers' compensation, unemployment insurance and employee benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Factors concerning the finances of the internal service funds have already been addressed in the discussion of the City's governmental activities.

(E) Budgetary Highlights

The City adopts annual appropriated operating budgets for its governmental funds (General Fund, special revenue funds, debt service fund, capital projects fund and permanent funds), and reports the results of operations on a budgetary comparison basis. The City also uses annual financial plans as a management tool for its enterprise and internal service funds, although the City does not report the results of these funds on a budgetary comparison basis.

When preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council can amend the originally adopted budget to reappropriate prior year approved projects and expenditures, increase legal and professional services, move up the timing of expenditures for capital projects, provide additional funding for community support, and tourism and promotions activities.

General Fund

The General Fund reflected a net total favorable budget variance of $24.0 million when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of $16.4 million and a favorable variance in total expenditures of $7.5 million.

(F) Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities amounts to $669.2 million (net of accumulated depreciation) as of June 30, 2015. This investment in capital assets includes land, buildings, utility systems, improvements other than buildings, infrastructure (roads, sidewalks, streetlights, etc.), machinery and equipment, the City's fine art collection and construction in progress. The total decrease in the City's investment in capital assets was $9.6 million, or 2.4%.

City of Beverly Hills' Capital Assets, Net of Accumulated Depreciation (000's)
As of June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 51,833	51,833	33,114	33,114	84,947	84,947
Buildings	243,759	243,759	214,495	212,043	458,254	455,802
Utility systems	-	-	210,622	204,996	210,622	204,996
Improvements other than buildings	77,171	74,379	6,327	4,308	83,498	78,687
Infrastructure	134,822	139,490	-	-	134,822	139,490
Machinery and equipment	65,372	62,521	10,359	9,874	75,731	72,395
Fine art collection	2,250	2,170	-	-	2,250	2,170
Construction in progress	8,788	8,521	17,600	14,972	26,388	23,493
Total capital assets, net	$ 583,995	582,673	492,517	479,307	1,076,512	1,061,980

The City has an aggressive capital improvement program totaling over $229.6 million over the next five years (the City budgets its capital program in rolling 5-year increments). The City budgets these projects in six major categories: general government buildings, infrastructure and properties; streets, alleys and sidewalks; parks and recreation facilities; enterprise buildings, infrastructure and properties; and major development and infrastructure projects. Among these categories, the major projects include scheduled replacement of vehicles ($13.3 million), improvements to City infrastructure including streetscape, street resurfacing and replacement of street lights ($25.9 million), improvements to City buildings and facilities and acquisition of land ($39.2 million), improvements to the City's parks and recreation facilities ($20.2 million), upgrades to the City's information technology infrastructure ($18.1 million) and repairs and upgrades to the City's utility systems ($89.9 million). The City has budgeted capital projects expenditures totaling $59.5 million for fiscal year 2015-16.

Additional information on the City's capital assets can be found in Note 7 to the basic financial statements on pages 60-61 of this report.

Long-term Debt

At the end of the current fiscal year, the City had total long-term bonded debt outstanding of $228.4 million, down by $18.6 million from the prior year. Other long-term obligations include notes payable of $23.5 million, employee-compensated absences of $14.5 million and outstanding claims of $10.4 million.

City of Beverly Hills' Outstanding Long-Term Debt (000's)
As of June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds	109,335	119,916	119,021	127,080	228,356	246,995
Capital leases	256	-	-	-	256	-
Note payable	23,452	25,214	-	-	23,452	25,214
Compensated absences	14,530	12,384	-	-	14,530	12,384
Claims payable	10,447	9,464	-	-	10,447	9,464
Total debt $	158,020	166,977	119,021	127,080	277,041	294,057

Ratings on outstanding bonds are provided below. The ratings are from Moody's Investor Services, Fitch, Inc. and Standard and Poor's.

City of Beverly Hills' Debt Ratings

Debt Issue	Moody's	Fitch's	S&P
Revenue bonds:			
2008 Water Revenue Refunding Bonds	Aaa	AAA	AAA
2008 Wastewater Revenue Refunding Bonds	Aa1	AAA	AAA
2009 Lease Revenue Bonds	Aa2	AA+	AA+
2010 Lease Revenue Bonds	Aa2	AA+	AA+
2012 Lease Revenue Refunding Bonds	Aa2	AA+	AA+
2012 Water Revenue Refunding Bonds	Aa1	AAA	AA+

Additional information on the City's long-term debt can be found in Note 8 to the basic financial statements on pages 62-68 of this report.

(G) Economic Factors and Next Year's Budgets and Rates

The City Council adopted a conservative budget for fiscal year 2015-16 that budget contains many ambitious work plan objectives that are intended to address the highest priorities in the community and the goals of the City Council. This budget also sets the financial foundation to establish an accurate and understandable assessment and tracking of the uses and sources of all funds. The 2015-16 budget presents a number of opportunities and challenges to improve overall service to the community in terms of the processing of building permits and the long-term security and availability of the City's water supply. By any standard this is a very aggressive program of work that will challenge the capacity of staff and the City Council to accomplish under the revenue assumptions.

The proposed General Fund budget for Fiscal Year 2015-16 includes the following assumptions:

- A continuation of modest growth in revenues as a result of current economic conditions.
- Tight controls on operating expenditures consistent with the revenue forecasts.
- Maintenance of service levels and programs to the extent possible and minimal increases in service levels where appropriate.

(H) Requests for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Don Rhoads, Director of Administrative Services/Chief Financial Officer, City of Beverly Hills, 455 N. Rexford Drive, Room 350, Beverly Hills, California 90210. Additional information, including the prior year's CAFR and prior and current year budgets are available on the City's web site at www.beverlyhills.org.

CITY OF BEVERLY HILLS

Incorporated 1914

BASIC FINANCIAL STATEMENTS

The City's basic financial statements, including the accompanying notes, constitute the core of the CAFR's financial section. The basic financial statements include the Government-wide Financial Statements, the Fund Financial Statements and the Notes to Basic Financial Statements.

Immediately following the basic financial statements is Required Supplementary Information – Schedule of Funding Progress of the City's Defined Benefit Pension Plans and of the City's Other Post Employment Benefits (OPEB) Plan.

Major funds reported in the Basic Financial Statements are defined in note 1 of notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 401,181,917	119,032,879	520,214,796
Accounts receivable, net	3,857,625	9,617,982	13,475,607
Interest receivable (note 4)	918,261	341,054	1,259,315
Taxes receivable (note 4)	13,408,617	—	13,408,617
Intergovernmental receivables (note 4)	232,971	—	232,971
Inventories	283,135	1,353,209	1,636,344
Prepaid items	317,635	427	318,062
Total current assets	420,200,161	130,345,551	550,545,712
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash and investments (notes 3 and 8)	2,373,252	9,401,817	11,775,069
Interest receivable	732	—	732
Permanently restricted:			
Cash and investments (note 3)	81,381	—	81,381
Total restricted assets	2,455,365	9,401,817	11,857,182
Other noncurrent assets:			
Internal balances	46,249,549	(46,249,549)	—
Other post employment benefit asset (note 11)	345,294	—	345,294
Total other noncurrent assets	46,594,843	(46,249,549)	345,294
Capital assets (note 7):			
Land	51,833,124	33,114,045	84,947,169
Buildings	243,758,676	214,495,185	458,253,861
Utility systems	—	210,621,727	210,621,727
Improvements other than buildings	77,171,438	6,326,584	83,498,022
Infrastructure	134,822,289	—	134,822,289
Machinery and equipment	65,371,765	10,359,241	75,731,006
Fine art collection	2,249,851	—	2,249,851
	575,207,144	474,916,782	1,050,123,926
Less accumulated depreciation	(216,751,836)	(190,598,364)	(407,350,200)
Construction in progress	8,787,686	17,600,032	26,387,718
Total capital assets, net	367,242,995	301,918,450	669,161,444
Total noncurrent assets	416,293,203	265,070,718	681,363,920
Total assets	836,493,364	395,416,269	1,231,909,632
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources-contributions (note 15)	15,827,148	1,260,241	17,087,389
Deferred amount on refunding, net	2,651,877	2,599,426	5,251,303
Total deferred outflows of resources	$ 18,479,025	3,859,667	22,338,692

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Net Position, Continued

June 30, 2015

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 10,153,963	5,288,536	15,442,499
Contracts payable	320,868	934,966	1,255,834
Accrued payroll	6,236,764	536,056	6,772,820
Interest payable	423,850	496,225	920,075
Current portion of long-term liabilities:			
Compensated absences (note 8)	1,059,958	—	1,059,958
Outstanding claims (note 8)	3,303,865	—	3,303,865
Capital leases (note 8)	89,618	—	89,618
Notes payable (note 8)	1,762,520	—	1,762,520
Revenue bonds (note 8)	10,104,162	7,275,837	17,379,999
Intergovernmental liabilities	853,472	1,064,268	1,917,740
Customer deposits	9,136,980	525,265	9,662,245
Unearned revenue (note 4)	1,258,293	852,326	2,110,619
Total current liabilities	44,704,313	16,973,479	61,677,791
Noncurrent liabilities, net of current portion:			
Compensated absences (note 8)	14,530,105	—	14,530,105
Outstanding claims (note 8)	10,446,798	—	10,446,798
Unearned revenue (note 4)	36,414	413,141	449,555
Capital leases (note 8)	256,401	—	256,401
Notes payable (note 8)	23,451,526	—	23,451,526
Revenue bonds (note 8)	109,335,468	119,020,841	228,356,309
Net pension liability (note 16)	172,480,766	11,764,747	184,245,513
Leased property deposits	336,736	662,466	999,202
Total long-term liabilities	330,874,214	131,861,195	462,735,409
Total liabilities	375,578,526	148,834,674	524,413,199
DEFFERED INFLOWS OF RESOURCES			
Deferred inflows of resources - actuarial (note 15)	35,082,398	2,855,682	37,938,080
Deferred credit from sale-leaseback transactions	—	893,437	893,437
Total deferred inflows of resources	35,082,398	3,749,119	38,831,517
NET POSITION			
Net investment in capital assets (note 13)	240,366,434	143,390,063	383,756,497
Restricted for:			
Debt service	4,533,943	9,401,817	13,935,760
Streets, highways, bikeways, public transit and other related purposes	7,337,256	—	7,337,256
Endowment or trust agreement:			
Expendable	178,124	—	178,124
Nonexpendable	81,381	—	81,381
Other purposes	9,563,827	—	9,563,827
Unrestricted	182,250,500	93,900,263	276,150,763
Total net position	$ 444,311,465	246,692,143	691,003,608

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Activities

For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ (7,389,001)	285,630	663,617	558,046	(5,881,708)	—	(5,881,708)
Public safety	(109,831,170)	21,377,440	97,581	3,181,270	(85,174,879)	—	(85,174,879)
Public service	(31,567,699)	37,956,672	321,465	3,220,173	9,930,612	—	9,930,612
Culture and recreation	(48,715,791)	12,715,281	29,972	—	(35,970,538)	—	(35,970,538)
Interest on long-term debt	(6,823,570)	—	—	—	(6,823,570)	—	(6,823,570)
Total governmental activities	(204,327,230)	72,335,023	1,112,635	6,959,489	(123,920,083)	—	(123,920,083)
Business-type activities:							
Water	(31,609,747)	36,067,148	—	73,375	—	4,530,776	4,530,776
Parking facilities	(16,555,653)	23,820,621	—	—	—	7,264,968	7,264,968
Solid waste	(15,004,536)	15,905,463	—	150,162	—	1,051,089	1,051,089
Wastewater	(8,612,829)	13,125,432	—	—	—	4,512,603	4,512,603
Stormwater	(3,202,152)	1,729,217	—	—	—	(1,472,935)	(1,472,935)
Parking authority	(29,729,550)	27,873,951	—	—	—	(1,855,599)	(1,855,599)
Total business-type activities	(104,714,467)	118,521,832	—	223,537	—	14,030,902	14,030,902
Total	$ (309,041,697)	190,856,855	1,112,635	7,183,026	(123,920,083)	14,030,902	(109,889,181)
General revenues:							
Taxes:							
Business					43,792,802	—	43,792,802
Property					53,577,294	—	53,577,294
Sales					31,338,893	—	31,338,893
Transient occupancy					36,658,589	—	36,658,589
Other					9,275,967	—	9,275,967
Unrestricted investment earnings					9,570,102	1,692,292	11,262,394
Net change in fair value of investments					(854,729)	(276,237)	(1,130,966)
Miscellaneous					3,565,509	5,206,971	8,772,480
Transfers (note 6)					7,575,210	(7,575,210)	—
Total general revenues and transfers					194,499,637	(952,184)	193,547,453
Change in net position					70,579,554	13,078,718	83,658,272
Net position, July 1					579,233,448	247,807,280	827,040,728
Restatement of net position					(205,501,537)	(14,193,855)	(219,695,392)
Net position, July 1, as restated					373,731,911	233,613,425	607,345,336
Net position, June 30					$ 444,311,465	246,692,143	691,003,608

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Balance Sheet

Governmental Funds

June 30, 2015

Assets		General Fund	Infrastructure Capital Projects Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
Cash and investments (note 3)	$	142,557,260	41,273,430	42,698,681	—	226,529,371
Accounts receivable, net (note 4)		3,659,622	—	18,181	—	3,677,803
Interest receivable (note 4)		362,702	50,524	60,230	—	473,456
Taxes receivable (note 4)		13,408,617	—	—	—	13,408,617
Interfund receivables (note 5)		13,586,172	—	361,889	(96,386)	13,851,675
Intergovernmental receivables (note 4)		—	108,512	124,459	—	232,971
Advance to other funds (note 5)		—	—	6,190,063	—	6,190,063
Restricted assets:						
Cash and investments (note 3)		—	—	280,442	—	280,442
Interest receivable		—	—	732	—	732
Total assets	$	173,574,373	41,432,466	49,734,677	(96,386)	264,645,130
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	$	3,980,860	1,180,390	784,409	—	5,945,659
Contracts payable		920	162,203	52,435	—	215,558
Accrued payroll		5,191,403	—	8,095	—	5,199,498
Interfund payables (note 5)		—	—	96,386	(96,386)	—
Intergovernmental payables		843,691	—	9,781	—	853,472
Customer deposits		8,604,063	—	532,917	—	9,136,980
Unearned revenue (note 4)		1,258,293	—	—	—	1,258,293
Total liabilities		19,879,230	1,342,593	1,484,023	(96,386)	22,609,460
Deferred inflows of resources:						
Unavailable revenues		4,314,296	32,400	154,132	—	4,500,828
Total deferred inflows of resources		4,314,296	32,400	154,132	—	4,500,828
Fund balances (note 14):						
Nonspendable		15,566,903	—	81,381	—	15,648,284
Restricted		—	40,057,473	19,860,439	—	59,917,912
Committed		4,384,449	—	28,298,098	—	32,682,547
Assigned		5,000,000	—	—	—	5,000,000
Unassigned		124,429,495	—	(143,396)	—	124,286,099
Total fund balances		149,380,847	40,057,473	48,096,522	—	237,534,842
Total liabilities, deferred inflows of resources and fund balances	$	173,574,373	41,432,466	49,734,677	(96,386)	264,645,130

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities in the Statement of Net Position

June 30, 2015

Total governmental fund balances (page 31)	$	237,534,842
Amounts reported for governmental activities in the statement of net position are different because:		
– Capital assets used in governmental activities, that are not included in internal service funds, are not financial resources and, therefore, are not reported in the funds.		134,003,304
– Certain receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,999,866
– Certain property tax receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,500,962
– Internal service funds are used by management to charge the costs of acquisition, construction, financing, maintenance and capital accumulation for the replacement of governmental capital assets (except for infrastructure and fine art collection assets); operations of the City's computer services, reprographics and cable TV operations; the City's self-insurance programs and its employee benefits to individual user funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		260,365,594
– Governmental long-term liabilities, excluding those liabilities in the City's internal service funds, are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term Debt		(30,300,358)
Net Pension Liability		(161,792,745)
Net position of governmental activities (page 29)	$	444,311,465

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2015

	General Fund	Infrastructure Capital Projects Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
Revenues:					
Taxes	$ 164,079,921	—	7,474,206	—	171,554,127
Licenses and permits	25,226,146	—	—	—	25,226,146
Intergovernmental	927,399	615,577	6,304,381	—	7,847,357
Charges for service	10,080,034	—	238,147	—	10,318,181
Fines, forfeitures and penalties	6,899,618	—	—	—	6,899,618
Use of money and property	6,008,601	111,713	607,348	—	6,727,662
Net change in fair value of investments	(377,711)	(48,951)	(61,580)	—	(488,242)
Miscellaneous	2,064,285	—	902,969	—	2,967,254
Total revenues	214,908,293	678,339	15,465,471	—	231,052,103
Expenditures:					
Current:					
General government	7,226,210	—	—	—	7,226,210
Public safety	96,190,944	—	827,651	—	97,018,595
Public service	25,782,459	—	1,182,187	—	26,964,646
Culture and recreation	43,396,613	—	33,678	—	43,430,291
Debt service:					
Interest	—	—	1,305,011	—	1,305,011
Principal	—	—	63,977	—	63,977
Capital outlay	198,836	3,788,230	2,719,195	—	6,706,261
Total expenditures	172,795,062	3,788,230	6,131,699	—	182,714,991
Excess (deficiency) of revenues over expenditures	42,113,231	(3,109,891)	9,333,772	—	48,337,112
Other financing sources (uses):					
Transfers in (note 6)	236,600	23,210,300	3,119,142	(14,175,432)	12,390,610
Transfers out (note 6)	(21,360,818)	—	(824,345)	14,175,432	(8,009,731)
Total other financing sources (uses)	(21,124,218)	23,210,300	2,294,797	—	4,380,879
Net change in fund balances	20,989,013	20,100,409	11,628,569	—	52,717,991
Fund balances as previous reported, July 1	128,391,834	19,957,064	36,332,560	—	184,681,458
Restatement	—	—	135,394	—	135,394
Fund balances, July 1	128,391,834	19,957,064	36,467,954	—	184,816,852
Fund balances, June 30	$ 149,380,847	40,057,473	48,096,523	—	237,534,843

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2015

Net change in fund balances – total governmental funds (page 33)	$	52,717,991
Amounts reported for governmental activities in the statement of activities are different because:		
– Tax and other revenues:		
• Certain property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,500,962
• Property tax revenues that become available and are recognized in the current year that relate to prior years are not reported as revenues in the statement of activities.		(654,624)
• Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,768,750
– Interest revenues:		
• Certain interest receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		231,116
• Interest revenues that become available and are recognized in the current year that relate to prior years are not reported as revenues in the statement of activities		(452,394)
– Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue of certain activities of internal service funds is reported as governmental activities.		13,513,408
– Certain pension related expense in the statement of activities that do not constitute current use of financial resources are not reported as expenses in the funds.		555,731
– Costs for infrastructure and fine art collection assets are reported as capital outlay expenditures in the fund financial statements. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceed depreciation expense in the current period.		419,029
– The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of certain long-term debt and related items.		(20,415)
Change in net position of governmental activities (page 30)	$	70,579,554

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)
Revenues:				
Taxes:				
Business	$ 40,300,000	40,300,000	42,549,722	2,249,722
Property	50,465,000	50,465,000	51,730,956	1,265,956
Sales	29,580,000	29,580,000	31,338,893	1,758,893
Transient occupancy	35,500,000	35,500,000	36,658,589	1,158,589
Other	1,150,000	1,150,000	1,801,761	651,761
Licenses and permits	16,708,804	16,708,804	25,226,146	8,517,342
Intergovernmental	399,000	399,000	927,399	528,399
Charges for services	10,417,139	10,417,139	10,080,034	(337,105)
Fines, forfeitures and penalties	7,417,500	7,417,500	6,899,618	(517,882)
Use of money and property	5,552,636	5,552,636	6,008,601	455,965
Net change in fair value of investments	—	—	(377,711)	(377,711)
Miscellaneous	1,006,600	1,006,600	2,064,285	1,057,685
Total revenues	198,496,679	198,496,679	214,908,293	16,411,614
Expenditures:				
Current:				
General government:				
Financial services	1,827,744	1,827,744	1,917,110	89,366
Economic development	2,637,273	2,637,273	2,265,721	(371,552)
Non-departmental	3,782,487	3,012,052	3,043,379	31,327
Total general government	8,247,504	7,477,069	7,226,210	(250,859)
Public safety:				
Police services	55,509,819	56,223,637	55,554,289	(669,348)
Fire control	36,404,583	37,343,262	36,086,511	(1,256,751)
Building and safety	4,703,515	4,844,830	4,550,144	(294,686)
Total public safety	96,617,917	98,411,729	96,190,944	(2,220,785)

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)
Public service:				
Engineering and administration	$ 1,032,914	3,962,941	1,260,640	(2,702,301)
Streets and subdrains	13,600,426	13,723,094	13,081,101	(641,993)
Planning services	8,634,916	9,262,001	8,593,886	(668,115)
Community services	2,558,810	2,728,853	2,846,832	117,979
Total public service	25,827,066	29,676,889	25,782,459	(3,894,430)
Culture and recreation:				
Recreation and parks	6,869,736	6,869,736	6,920,707	50,971
Library	10,461,018	10,418,688	10,363,369	(55,319)
Education	19,651,318	19,647,068	19,168,449	(478,619)
Promotion and tourism	6,741,872	7,239,591	6,944,088	(295,503)
Total culture and recreation	43,723,945	44,175,083	43,396,613	(778,470)
Capital outlay	—	592,966	198,836	(394,130)
Total expenditures	174,416,431	180,333,735	172,795,062	(7,538,673)
Excess of revenues over expenditures	24,080,248	18,162,944	42,113,231	23,950,287
Other financing sources:				
Transfers in (note 6)	206,000	236,600	236,600	—
Transfers out (note 6)	(9,009,542)	(21,360,818)	(21,360,818)	—
Total other financing sources	(8,803,542)	(21,124,218)	(21,124,218)	—
Net change in fund balances	15,276,706	(2,961,274)	20,989,013	23,950,287
Fund balance, July 1	128,391,834	128,391,834	128,391,834	—
Fund balance, June 30	$ 143,668,540	125,430,560	149,380,847	23,950,287

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Net Position

Proprietary Funds

June 30, 2015

	Business-type Activities – Enterprise Funds							Governmental Activities – Internal Service Funds
	Water	Parking Facilities	Solid Waste	Wastewater	Stormwater	Parking Authority	Business-type Total	
ASSETS								
Current assets:								
Cash and investments (note 3)	$ 31,220,045	17,831,841	18,115,017	32,747,023	5,006,387	14,112,566	119,032,879	174,652,546
Accounts receivable, net (note 4)	4,512,675	107,856	2,658,230	1,897,776	294,864	146,581	9,617,982	179,822
Interest receivable (note 4)	82,004	50,662	44,838	82,421	7,168	73,961	341,054	444,805
Interfund receivable (note 5)	—	—	—	—	—	—	—	1,447,559
Inventories	1,353,209	—	—	—	—	—	1,353,209	283,135
Prepaid expenses	—	128	—	299	—	—	427	317,635
Total current assets	37,167,933	17,990,487	20,818,085	34,727,519	5,308,419	14,333,108	130,345,551	177,325,502
Noncurrent assets:								
Restricted assets:								
Cash and investments (note 3 and 8)	5,772,056	2,005,989	—	1,623,772	—	—	9,401,817	2,174,191
Total restricted assets	5,772,056	2,005,989	—	1,623,772	—	—	9,401,817	2,174,191
Advances to other funds (note 5)	—	—	—	—	—	—	—	24,760,251
Other post employment benefit asset	—	—	—	—	—	—	—	345,294
Total other noncurrent assets	—	—	—	—	—	—	—	25,105,545
Capital assets (note 7):								
Land	5,260,911	7,291,981	—	8,709,000	—	11,852,153	33,114,045	32,273,138
Buildings	16,718,470	24,672,145	—	—	—	173,104,570	214,495,185	236,694,899
Utility systems	141,041,464	—	—	59,478,614	10,101,649	—	210,621,727	—
Improvements other than buildings	—	493,850	—	—	—	5,832,734	6,326,584	60,702,975
Machinery and equipment	5,774,157	48,161	1,247,008	1,174,897	67,532	2,047,486	10,359,241	61,005,879
Infrastucture	—	—	—	—	—	—	—	885,531
	168,795,002	32,506,137	1,247,008	69,362,511	10,169,181	192,836,943	474,916,782	391,562,422
Less accumulated depreciation	(60,484,571)	(13,849,575)	(1,226,858)	(21,296,612)	(7,395,077)	(86,345,671)	(190,598,364)	(160,869,890)
Construction in progress	9,306,544	6,572,073	—	1,721,415	—	—	17,600,032	2,547,159
Total capital assets, net	117,616,975	25,228,635	20,150	49,787,314	2,774,104	106,491,272	301,918,450	233,239,691
Total noncurrent assets	123,389,031	27,234,624	20,150	51,411,086	2,774,104	106,491,272	311,320,267	260,519,427
Total assets	160,556,964	45,225,111	20,838,235	86,138,605	8,082,523	120,824,380	441,665,818	437,844,929
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows of resources - contributions (note 15)	351,432	425,615	231,135	120,860	131,199	—	1,260,241	2,824,488
Deferred amount on refunding, net	1,497,777	415,480	—	686,169	—	—	2,599,426	1,375,177
Total deferred outflows of resources	1,849,209	841,095	231,135	807,029	131,199	—	3,859,667	4,199,665

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Net Position, Continued

Proprietary Funds

June 30, 2015

	Business-type Activities – Enterprise Funds							Governmental Activities – Internal Service Funds
	Water	Parking Facilities	Solid Waste	Wastewater	Stormwater	Parking Authority	Business-type Total	
LIABILITIES								
Current liabilities:								
Accounts payable	$ 3,269,697	695,760	1,181,853	114,323	26,903	—	5,288,536	4,208,303
Contracts payable	589,071	80,017	26,053	239,825	—	—	934,966	105,310
Accrued payroll	163,125	170,711	95,390	47,676	59,154	—	536,056	1,037,266
Interest payable	219,803	238,227	—	38,195	—	—	496,225	314,704
Current portion of long-term liabilities:								
Compensated absences (note 8)	—	—	—	—	—	—	—	1,059,958
Outstanding claims (note 8)	—	—	—	—	—	—	—	3,303,865
Advances from other funds (note 5)	—	—	—	—	—	3,343,270	3,343,270	—
Revenue bonds (note 8)	3,420,000	2,650,837	—	1,205,000	—	—	7,275,837	9,751,008
Capital leases (note 8)	—	—	—	—	—	—	—	89,618
Notes payable (note 8)	—	—	—	—	—	—	—	1,762,520
Intergovernmental payable	50	—	—	1,064,218	—	—	1,064,268	—
Customer deposits	498,190	24,000	—	3,075	—	—	525,265	—
Unearned revenue (note 4)	398,973	54,351	—	—	—	399,002	852,326	—
Total current liabilities	8,558,909	3,913,903	1,303,296	2,712,312	86,057	3,742,272	20,316,749	21,632,552
Long-term liabilities (net of current portion):								
Compensated absences (note 8)	—	—	—	—	—	—	—	14,530,105
Outstanding claims (note 8)	—	—	—	—	—	—	—	10,446,798
Unearned revenue (note 4)	—	413,141	—	—	—	—	413,141	36,414
Capital leases (note 8)	—	—	—	—	—	—	—	256,401
Advances from other funds (note 5)	—	—	—	—	—	42,906,279	42,906,279	—
Revenue bonds, net of premium/discount (note 8)	57,676,840	52,684,021	—	8,659,980	—	—	119,020,841	78,220,710
Net pension liability (note 9)	3,280,728	3,973,249	2,157,718	1,128,263	1,224,789	—	11,764,747	26,367,513
Notes payable (note 8)	—	—	—	—	—	—	—	23,451,526
Leased property deposits	—	—	—	—	—	662,466	662,466	336,736
Total long-term liabilities	60,957,568	57,070,411	2,157,718	9,788,243	1,224,789	43,568,745	174,767,474	153,646,203
Total liabilities	69,516,477	60,984,314	3,461,014	12,500,555	1,310,846	47,311,017	195,084,223	175,278,755
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows of resources - actuarial (note 15)	796,338	964,435	523,747	273,866	297,296	—	2,855,682	6,400,245
Credit from sale-leaseback transactions (note 9)	—	893,437	—	—	—	—	893,437	—
Total deferred inflows of resources	796,338	1,857,872	523,747	273,866	297,296	—	3,749,119	6,400,245
NET POSITION								
Net investment in capital assets (note 13)	64,637,384	(26,793,390)	20,150	42,510,092	2,774,104	60,241,723	143,390,063	137,550,955
Restricted for:								
Debt service	5,772,056	2,005,989	—	1,623,772	—	—	9,401,817	2,174,191
Unrestricted (note 13)	21,683,918	8,011,421	17,064,459	30,037,349	3,831,476	13,271,640	93,900,263	120,640,448
Total net position	$ 92,093,358	(16,775,980)	17,084,609	74,171,213	6,605,580	73,513,363	246,692,143	260,365,594

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2015

	Business-type Activities – Enterprise Funds							Governmental Activities – Internal Service Funds
	Water	Parking Facilities	Solid Waste	Wastewater	Stormwater	Parking Authority	Business-type Total	
Operating revenues:								
Sales, service charges and fees	$ 36,067,148	23,820,621	15,905,463	13,125,432	1,729,217	27,873,951	118,521,832	84,454,510
Operating expenses:								
Salaries and employee benefits	3,270,029	3,704,939	2,087,917	994,163	1,105,584	—	11,162,632	26,003,752
Maintenance and operation	21,906,829	9,395,202	12,873,801	5,520,047	1,837,366	22,158,611	73,691,857	26,391,888
Insurance premiums, settlements and provisions	—	—	—	—	—	—	—	5,521,456
Depreciation (note 7)	3,966,181	605,097	42,818	1,574,432	259,202	5,666,387	12,114,117	13,123,786
Amortization of bond premiums, discounts, and deferred amounts on refunding	(170,929)	(99,245)	—	65,836	—	—	(204,338)	904,175
Total operating expenses	28,972,110	13,605,993	15,004,536	8,154,479	3,202,152	27,824,998	96,764,268	71,945,058
Operating income (loss)	7,095,038	10,214,628	900,927	4,970,953	(1,472,935)	48,953	21,757,564	12,509,452
Nonoperating revenues (expenses):								
Investment revenue	435,095	366,368	180,889	340,142	35,861	333,937	1,692,292	3,063,718
Net change in fair value of investments	(89,426)	(19,871)	(18,911)	(54,038)	(1,733)	(92,258)	(276,237)	(366,487)
Interest expense	(2,637,637)	(2,949,660)	—	(458,350)	—	(1,904,552)	(7,950,199)	(5,454,582)
Intergovernmental revenue	73,375	150,162	—	—	—	—	223,537	224,767
Other revenue (expense)	150,240	2,633,968	151,886	414,846	1,270	1,854,761	5,206,971	342,209
Total nonoperating revenues (expenses)	(2,068,353)	180,967	313,864	242,600	35,398	191,888	(1,103,636)	(2,190,375)
Income (loss) before operating transfers	5,026,685	10,395,595	1,214,791	5,213,553	(1,437,537)	240,841	20,653,928	10,319,077
Transfers in (note 6)	2,000,000	—	—	—	2,700,400	4,435,040	9,135,440	3,394,331
Transfers out (note 6)	—	(16,625,650)	(85,000)	—	—	—	(16,710,650)	(200,000)
Change in net position	7,026,685	(6,230,055)	1,129,791	5,213,553	1,262,863	4,675,881	13,078,718	13,513,408
Net position (deficit), July 1, as previously reported	89,068,726	(5,857,353)	18,607,703	70,315,259	6,835,463	68,837,482	247,807,280	278,750,606
Change in accounting principle	(4,002,053)	(4,688,572)	(2,652,885)	(1,357,599)	(1,492,746)	—	(14,193,855)	(31,898,420)
Net position (deficit), July 1, as restated (note 1)	85,066,673	(10,545,925)	15,954,818	68,957,660	5,342,717	68,837,482	233,613,425	246,852,186
Net position (deficit), June 30	$ 92,093,358	(16,775,980)	17,084,609	74,171,213	6,605,580	73,513,363	246,692,143	260,365,594

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2015

	Business-type Activities – Enterprise Funds							Governmental Activities –
	Water	Parking Facilities	Solid Waste	Wastewater	Stormwater	Parking Authority	Business-type Total	Internal Service Funds
Cash flows from operating activities:								
Cash received from customers	$ 36,057,044	23,351,892	15,905,463	13,125,432	1,729,216	15,925,100	106,094,147	—
Cash received for interfund services	—	—	—	—	—	—	—	105,602,469
Rents received under property leases	10,104	468,729	—	—	—	11,948,851	12,427,684	—
Cash payments to employees for services	(3,311,843)	(3,781,356)	(2,107,471)	(217,366)	(1,109,594)	—	(10,527,630)	(24,915,963)
Cash payments for goods and services	(20,985,977)	(9,702,096)	(12,140,763)	(4,582,071)	(1,877,392)	(21,997,467)	(71,285,766)	(42,082,473)
Cash payments for insurance premiums, settlements and claims	—	—	—	—	—	—	—	(7,123,959)
Net cash provided by (used in) operating activities	11,769,328	10,337,169	1,657,229	8,325,995	(1,257,770)	5,876,484	36,708,435	31,480,074
Cash flows from noncapital financing activities:								
Grant receipts and other revenue (expenditures)	223,615	2,784,130	151,886	414,846	1,270	1,854,761	5,430,508	342,209
Intergovernmental revenue	—	—	—	—	—	—	—	224,767
Cash received from other funds	2,000,000	—	—	—	2,700,400	4,435,040	9,135,440	3,394,331
Cash paid to other funds	—	—	(85,000)	—	—	—	(85,000)	(200,000)
Net cash provided by (used in) noncapital financing activities	2,223,615	2,784,130	66,886	414,846	2,701,670	6,289,801	14,480,948	3,761,307
Cash flows from capital financing activities:								
Proceeds from sale of property	—	—	—	—	—	—	—	148,894
Acquisition and construction of (inflows from) capital assets	(6,242,606)	(16,921,906)	—	(2,239,943)	5,213	(4,435,039)	(29,834,281)	(9,030,575)
Principal received (payments) on interfund advance	—	—	—	—	—	(3,219,328)	(3,219,328)	1,393,897
Interest received (paid) on note receivable	—	—	—	—	—	—	—	302,323
Interest received (paid) on interfund advance	—	—	—	—	—	(1,904,552)	(1,904,552)	410,072
Principal payments on debt	(2,054,999)	(4,618,866)	—	(1,946,294)	—	—	(8,620,159)	(9,497,573)
Interest payments on debt	(2,637,637)	(2,949,660)	—	(458,350)	—	—	(6,045,647)	(5,454,582)
Net cash provided by (used in) capital financing activities	(10,935,242)	(24,490,432)	—	(4,644,587)	5,213	(9,558,919)	(49,623,967)	(21,727,544)
Cash flows from investing activities:								
Earnings on investments	355,432	349,182	166,510	289,758	35,519	246,187	1,442,588	2,690,484
Net cash provided by investing activities	355,432	349,182	166,510	289,758	35,519	246,187	1,442,588	2,690,484
Net increase (decrease) in cash and cash equivalents	3,413,133	(11,019,951)	1,890,625	4,386,012	1,484,632	2,853,553	3,008,004	16,204,321
Cash and cash equivalents, July 1	33,578,968	30,857,781	16,224,392	29,984,783	3,521,755	11,259,013	125,426,692	160,622,417
Cash and cash equivalents, June 30	$ 36,992,101	19,837,830	18,115,017	34,370,795	5,006,387	14,112,566	128,434,696	176,826,738

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Cash Flows, Continued

Proprietary Funds

For the Year Ended June 30, 2015

	Business-type Activities – Enterprise Funds							Governmental Activities –
	Water	Parking Facilities	Solid Waste	Wastewater	Stormwater	Parking Authority	Business-type Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	$ 7,095,038	10,214,628	900,927	4,970,953	(1,472,935)	48,953	21,757,564	12,509,453
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	3,966,181	605,097	42,818	1,574,432	259,202	5,666,387	12,114,117	13,123,786
Amortization of bond premiums, discounts, and deferred amounts on refunding	(170,929)	(99,245)	—	65,836	—	—	— (204,338)	904,175
Changes in assets and liabilities:								
Increase (decrease) in other post-employment benefit asset	—	—	—	—	—	—	—	1,518,513
Increase (decrease) in net pension liabilities	(944,581)	(1,143,970)	(621,245)	(324,847)	(352,640)	—	(3,387,283)	(7,628,091)
Increase (decrease) in deferred inflows	796,338	964,435	523,747	273,866	297,296	—	2,855,682	6,400,245
(Increase) decrease in deferred outflows	73,547	54,707	48,371	811,586	27,459	—	1,015,670	435,440
(Increase) decrease in receivables	1,884,634	16,910	562,044	750,133	112,583	34,710	3,361,014	119,786
(Increase) decrease in inventories	(151,450)	—	—	—	—	—	(151,450)	45,186
(Increase) decrease in prepaid expenses	—	(128)	—	(299)	—	—	(427)	(303,502)
Increase (decrease) in accounts payable	168,460	(174,177)	161,074	26,650	(143,950)	(576)	37,481	535,865
Increase (decrease) in intergovernmental payable	(29,036)	(30,092)	(16,133)	152,351	(8,659)	—	68,431	(162,790)
Increase (decrease) in accrued payroll	32,882	48,411	29,573	16,192	23,874	—	150,932	2,676,492
Increase (decrease) in outstanding claims	—	—	—	—	—	—	—	1,269,103
Increase (decrease) in unearned revenue	398,973	(31,379)	—	—	—	—	367,594	36,414
Increase (decrease) in customer deposits	(1,350,729)	(88,028)	26,053	9,141	—	127,010	(1,276,553)	—
Total adjustments	4,674,290	122,541	756,302	3,355,041	215,165	5,827,531	14,950,870	18,970,622
Net cash provided by (used in) operating activities	$ 11,769,328	10,337,169	1,657,229	8,325,994	(1,257,770)	5,876,484	36,708,434	31,480,075
Cash and investments	$ 31,220,045	17,831,841	18,115,017	32,747,023	5,006,387	14,112,566	119,032,879	174,652,546
Restricted cash and investments	5,772,056	2,005,989	—	1,623,772	—	—	9,401,817	2,174,191
Total cash and cash equivalents	36,992,101	19,837,830	18,115,017	34,370,795	5,006,387	14,112,566	128,434,696	176,826,737
Less nonpooled investments	(5,772,056)	(2,005,989)	—	(1,623,772)	—	—	(9,401,817)	—
Net cash and cash equivalents	$ 31,220,045	17,831,841	18,115,017	32,747,023	5,006,387	14,112,566	119,032,879	176,826,737
Significant noncash investing and financing activities:								
– Amortization of bond premiums, discounts, and deferred amounts on refunding	$ (170,929)	(99,245)	—	65,836	—	—	(204,338)	904,175
– Value of capital asset under lease (note 8)	$ —	—	—	—	—	—	—	346,019
– Change in fair value of investments	$ (89,426)	(19,871)	(18,911)	(54,038)	(1,733)	(92,258)	(276,237)	(366,487)

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2015

	Trust Fund	Agency Fund
	Westside Cities Council of Governments	Beverly Hills Active Adult Club
Assets		
Current assets:		
Cash and investments	$ —	20,157
Total assets	—	20,157
Liabilities:		
Deposits payable	—	20,157
Total liabilities	—	20,157
Net position:		
Held in Trust	—	
Total net position	$ —	

See accompanying notes to basic financial statements

CITY OF BEVERLY HILLS, CALIFORNIA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2015

	Westside Cities Council of Governments
Additions:	
Contributions:	
Donations	$ —
Member agencies	—
Investment earnings	—
Total additions	—
Deductions:	
Transfer to other agency	209,404
Total deductions	209,404
Net change in net position	(209,404)
Net position, July 1	209,404
Net position, June 30	$ —

See accompanying notes to basic financial statements.

CITY OF BEVERLY HILLS
Incorporated 1914

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Beverly Hills, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The accompanying basic financial statements present the financial activity of the City of Beverly Hills (primary government) and its component units, entities for which the primary government is considered to be financially accountable. A component unit is a legally separate organization that does not qualify as the primary government and which exhibits financial accountability. Financial accountability stems from specific subsets of the qualities of fiscal dependence, board appointment, financial benefit, burden relationship, or ability to impose will. Blended component units, although separate legal entities are, in substance, part of the government's operations. Their funds are treated similarly to funds of the primary government (other than the general fund). Discretely presented component units represent other legally separate organizations for which the primary government is financially accountable or for which the nature and significance of their relationship to the primary government are such that exclusion would cause the City's reporting entity to be misleading or incomplete. Discretely presented component units do not function as an integral part of the primary government, and its data would only be shown separately from the primary government. The City's component units are blended; there are no discretely presented component units in the Financial Reporting Entity.

City of Beverly Hills

The City (primary government) was incorporated in 1914 under the general laws of the State of California. The City provides the full range of municipal services as contemplated by statute. Services provided include public safety (police and fire), street construction and maintenance, sanitation, refuse collection, water and sewer utilities, culture and recreation, public improvements, planning and zoning, and general administrative and support services.

The City operates under a Council-Manager form of government. The City Council consists of five members elected at large for overlapping four-year terms. The Mayor is selected from the City Council members and serves a one-year term. The City's only other elected official is the City Treasurer whose term of office is four years. The City Council appoints a City Manager, City Attorney and City Clerk. In addition, the City Council appoints the members of the following advisory Commissions and Boards:

- Architectural Commission
- Public Works Commission
- Civil Service Commission
- Fine Art Commission
- Planning Commission
- R-1 Design Review Commission
- Human Relations Commission
- Seismic Safety Appeals Board
- Recreation & Parks Commission
- Traffic & Parking Commission
- Solicitations Advisory Commission

In addition to sitting as the governing board of the City, the City Council also acts as the Board of Directors of two blended component units: The Parking Authority of the City of Beverly Hills and the Beverly Hills Public Financing Authority.

The Parking Authority of the City of Beverly Hills

The Parking Authority of the City of Beverly Hills (The Parking Authority) is a public financing agency established by the City under the State of California Parking Law of 1949 to provide public parking facilities on a citywide basis. The Parking Authority provides for the acquisition and/or construction of parking facilities that are leased to the City for the general benefit of its citizens.

The Parking Authority is a blended component unit under the criteria of board appointment and financial burden on the primary government. In regards to board appointment, State law provides that the Mayor of the City, with the approval of the rest of the City Council, shall appoint 5 electors as the governing body. Alternatively, the City Council can declare itself as the governing body of The Parking Authority. If the Council is the governing body, the Council can at any time, by resolution, determine that it is no longer the governing body of The Parking Authority, in which event the mayor, with the approval of the rest of the Council, shall appoint 5 electors. As of June 30, 2015, the City Council continues to act as the governing body of The Parking Authority. In regards to financial burden, the City collateralizes the outstanding bonds payable that were used to construct many of The Parking Authority's assets.

The history of The Parking Authority's relationship to the City has included repetitive transitions. Prior to the fiscal year ended June 30, 1983, The Parking Authority was a discretely presented component unit of the City, as its data was shown separately from the City. As of June 30, 1983, as a result of the National Council on Governmental Accounting Statement No. 3, the City presented The Parking Authority as a blended component unit. During the year ended June 30, 1994, the assets of The Parking Authority were transferred to the Parking Facilities Enterprise Fund and no Parking Authority financial trans-

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

actions occurred in subsequent fiscal years. However, The Parking Authority still remained a legal entity. Separate financial statements are not prepared for the Parking Authority. On September 30, 2011, the majority of the assets of the City's Parking Enterprise Fund were transferred to The Parking Authority in order to show a total separation between The Parking Authority and the City. (See Note 13 for additional explanation.) The Parking Authority is blended as an Enterprise Fund of the City.

Beverly Hills Public Financing Authority

The City of Beverly Hills Public Financing Authority (Public Financing Authority) is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, dated November 10, 1992 between the City and The Parking Authority. The Joint Powers Agreement was entered into pursuant to the provisions of Article 1 of Chapter 5 of the California Government Code (the Act). The Public Financing Authority was created for the purpose of providing financing for public capital improvements for the City through the acquisition by the Public Financing Authority of such public capital improvements and/or the purchase by the Public Financing Authority of local obligations within the meaning of the Act. Under the Act, the Public Financing Authority has the power to issue bonds to pay the costs of public capital improvements.

Required lease payments between the City and the Public Financing Authority exactly match debt service requirements of the underlying debt. Accordingly, the leases between the City and the Public Financing Authority are eliminated and the underlying debt is reported as debt of the City. Separate financial statements are not prepared for the Public Financing Authority. Activities of the Public Financing Authority are presented within the debt service fund, as well as within Long-Term Liabilities Note 8. Please contact the Director of Administrative Services/Chief Financial Officer for more information.

City of Beverly Hills Community Charitable Foundation

On January 20th, 2012, the Internal Revenue Service recognized the City's newly formed 501(c)(3) not-for-profit corporation entitled, "City of Beverly Hills Community Charitable Foundation" (Foundation). This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The specific purposes of the Foundation are to enhance the services and programs to the Beverly Hills community and its citizens, as well as augment the physical and cultural environment of the City of Beverly Hills.

The property of the Foundation is irrevocably dedicated to charitable purposes. No part of the net earnings or assets of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to any private individual. There are five authorized directors of the Foundation and all must be residents of the City of Beverly Hills. Three of the five directors are comprised of the following: The Treasurer, Vice Mayor and a Councilmember of the City chosen by the Mayor and ratified by the City Council (collectively "Elected Official Directors"). The remaining two directors are selected by the City Council of the City (each, a "Resident Director").

Upon the dissolution or winding up of the Foundation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Foundation shall be distributed to the City of Beverly Hills for public purposes or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable or educational purposes that benefit the residents of the City of Beverly Hills and which has established its tax exempt status under Internal Revenue Code Section 501(c)(3).

Although the City does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invest are restricted to the activities of the City by the donors. Because these restricted resources held by the foundation can only be used by, or for the benefit of the City, the Foundation is considered a blended component unit. The Foundation does not issue separate financial statements and is presented as a special revenue fund type and is included in the government-wide financial statements to ensure fiscal accountability.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods,

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or

capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements (note that the City has one fiduciary trust fund, the Westside Cities Council of Governments, which after fiscal year 2015 is no longer administered by the City). Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. The measurement focus describes what type of information a given fund represents. The basis of accounting describes when changes are recognized. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measureable and available only when cash is received by the government.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Infrastructure Capital Projects Fund* accounts for the construction expenditures of certain public capital improvement projects, including, but not limited to, replacement of the City's street lighting system, street improvements and other infrastructure projects.

The City reports the following major proprietary funds:

- The *Water Enterprise Fund* accounts for all financial aspects of the City's water operations. The City currently obtains its water from the Metropolitan Water District of Southern California and distributes it throughout the City and portions of the City of West Hollywood. The City has completed construction of a water treatment facility through a lease-purchase-operate-finance arrangement to treat local well water that is anticipated to meet approximately 20% of its water needs. The acquisition and construction of water system facilities have primarily been financed through the issuance of general obligation and revenue bonds supported by water service charges established by City Council action.
- The *Parking Facilities Enterprise Fund* accounts for the City's parking operations. The acquisition and construction of parking facilities have primarily been financed through the issuance of revenue bonds supported by parking fees charged to the public and lease payments from retail facilities located in the parking structures.
- The *Solid Waste Enterprise Fund* accounts for the collection and disposal of solid waste generated by commercial and residential users in the City. Solid waste operations are primarily financed through user charges established by City Council action.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- The *Wastewater Enterprise Fund* accounts for the collection and disposal of wastewater generated within the City. The acquisition and construction of wastewater facilities and capacity rights in the

  City of Los Angeles Hyperion Treatment Plant have primarily been financed through the issuance of revenue bonds supported by user charges established by City Council action.

- *The Parking Authority of the City of Beverly Hills* (Parking Authority) is a public financing agency established by the City under the State of California Parking Law of 1949 to provide public parking facilities on a citywide basis. The Parking Authority provides for the acquisition and/or construction of parking facilities that are leased to the City for the general benefit of its citizens. The Parking Authority is a blended component unit. See Note 1, Section A for more information about The Parking Authority.

The City also reports the following non-major proprietary fund:

- The *Stormwater Enterprise Fund* accounts for the certain standards for street sweeping, storm drain maintenance and other environmental quality programs mandated under the Federal "Clean Up the Bay" program. Stormwater operations are financed through user charges established by City Council action.

Additionally, the City reports the following fund types:

- The *Debt Service Fund* accounts for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

- The *Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

- *Internal service funds* account for a variety of services provided to other departments or agencies of the City on a cost reimbursement basis. These services include information technology, capital assets (governmental capital assets excluding infrastructure assets and the City's fine art collection) and related maintenance and financing, reprographics, cable television, liability insurance, workers' compensation insurance, unemployment insurance and employee benefits. Rentals to user departments and divisions for internal service capital assets are based on 1) capital replacement, 2) repairs and maintenance costs and 3) fuel usage. The capital replacement charge, based on the estimated net replacement cost of the asset allocated over the asset's estimated useful life, is used by the City to reduce budgetary swings in user departments for periodic capital replacement.

- *Fiduciary funds* are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. An agency fund, such as Beverly Hills Active Adult Club, is purely custodial in nature, and thus, does not involve measurement of results of operations. Trust funds such as Westside Cities Council of Governments, use the flow of economic resources measurement focus and the accrual basis of accounting.

- *Permanent funds* are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal service fund charges and charges for billing, legislative assistance and similar services to business-type activities, as well as certain other charges to business-type activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for sales and services. Operating expenses for enterprise and internal service funds include salaries and employee benefits, maintenance and operation of systems and facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Assets, Liabilities, Net Position or Equity

Cash and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool.

As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The City's investments are carried at fair value, except for certain short-term money market investments, which are carried at amortized cost. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. Local Agency Investment Fund (LAIF) determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund on a quarterly basis. Based on management decision, investment income of certain funds has been assigned to the General Fund. For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be petty cash funds, equity in the City's cash and investment pool, and restricted, non-pooled investments with initial maturities of three months or less. The City follows the disclosure requirements of GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an Amendment of GASB Statement No. 3*.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance non-spendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

Assessed values for purposes of property taxes are determined on an annual basis for the period July 1 to June 30 by the Los Angeles County Assessor as of March 1. Taxes are levied annually on July 1 and become a lien on real property at January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively, at which time applicable penalties and interest are assessed.

Inventories and Prepaid Expenses

All materials and supplies inventories are valued at cost using the average cost method. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds of the City's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The proceeds of certain endowments, together with cumulative unspent earnings thereon, are also classified as restricted assets on the balance sheet because their use is limited by the terms of the endowments.

In the absence of specific statutory provisions governing the issuance of bonds, certificates or leases, these bond monies may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City's general investment policy.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

Capital assets, which include land, property, plant, equipment, fine art and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $10,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended June 30, 2015.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 to 45
Improvements other than buildings	10 to 45
Infrastructure	15 to 50
Utility systems	20 to 50
Vehicles	3 to 30
Computer equipment	2 to 5
Other equipment and furnishings	5 to 25

The City's fine art collection is not depreciated. It is the City's opinion that such assets are not wasting and are not subject to periodic decrease in value. Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. A portion of unused sick leave benefits, varying by employee bargaining unit, vests and is payable upon retirement. For all funds the estimated compensated absences liability due within one year is included as a current liability in the *Employee Benefits Internal Service Fund* and the balance is included as a long-term liability in the *Employee Benefits Internal Service Fund*.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the life of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses.

Net Outflows of Resources and Net Inflows of Resources

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In general, the City recognizes a net pension liability, which represents the City's proportionate share of excess of the total liability over the fiduciary net position of the pension reflected in the actuarial report provided by The California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the City's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that rise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they incurred.

For the purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the City's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Net Position and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net position is displayed in three components: net investment in capital assets, restricted net position, and unrestricted net position. The restricted component of net position reflects constraints placed on the use of resources by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). The nonexpendable portion of permanent fund trusts and endowments is reported as permanently restricted. The City's other restricted assets are temporarily restricted (ultimately expendable assets). The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position. Please also refer to Note 13 for more information on net investment in capital assets.

Prior year restatements in Net Position and Fund Equity

The City also restated the beginning net position of the City's governmental activities and business-type activities to record net pension liabilities and the reclassification of the Foundation from fiduciary funds to special revenue funds. The components of change in accounting principle are as follows:

	Governmental Activities	Business-Type Activities and Enterprise Funds	Total
Net position as of July 1, as previously reported	$ 579,233,448	$ 247,807,280	$ 827,040,728
Restatement of Net Position			
Implementation of GASB Statement No. 68 and 71	(205,636,931)	(14,193,855)	(219,830,786)
Foundation reclassification	135,394	-	135,394
Net position as of July 1, as restated	$ 373,731,911	$ 233,613,425	$ 607,345,336

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Self-Insurance Programs

The City has initiated self-insurance programs to provide for general liability, workers' compensation claims and unemployment insurance claims. These activities are accounted for in respective self-insurance internal service funds. Fund revenues are primarily premium charges to other funds and are planned to match estimated payments resulting from self-insurance programs, operating expenses, and reinsurance premiums. The fund expenses the estimated liability for claims in cases where such amounts are reasonably determinable and where liability is probable, including an estimate for claims that are incurred but not reported.

The City's Risk Manager oversees the self-insurance programs. It is his duty to ensure that the programs are operated in accordance with City policies. The Risk Manager also provides budget guidance, reserves and claims analysis and acts as liaison with independently contracted claims administrators.

The contracted claims administrators provide services to process liability and workers' compensation self-insurance claims. The process includes the estimation of loss reserves. It is the City's intent to maintain cash reserves in the self-insurance funds equal to or greater than the estimated loss reserves.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The City is fully self-insured for workers' compensation claims and maintains a self-insurance retention level of $1,000,000 for general liability claims. Excess workers' compensation insurance was not renewed at the expiration of the policy on July 1, 2003. Significant increases in premiums for such excess coverage were not cost justifiable based on the City's historical low claims costs against such coverage. General liability claims in excess of $1,000,000 up to $26 million combined-single-limit per occurrence are covered by insurance. No significant reduction in insurance coverage occurred during the last two fiscal years. During each of the preceding three fiscal years no claim settlement exceeded insurance coverage.

The following represents changes in the liabilities for claims for each of the City's self-insurance funds (general liability, workers' compensation and unemployment), for the years ended June 30, 2015 and 2014:

FY	Liability Balance – Beginning of FY	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balance – End of FY
General Liability:				
2014	$ 3,024,999	5,462,633	(4,265,293)	4,222,339
2015	4,222,339	7,518,227	(7,690,577)	4,049,989
Workers' Compensation:				
2014	$ 7,222,840	1,428,610	(380,725)	8,270,725
2015	8,270,725	1,846,740	(416,790)	9,700,674
Unemployment Insurance:				
2014	$ 15,954	71,817	(76,100)	11,671
2015	11,671	195,671	(207,342)	—

Pronouncements Implemented

The GASB has issued several pronouncements during the fiscal year that have effective dates that impact current and future financial presentations. The following pronouncement has been implemented this fiscal year:

i. GASB 68 - "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trust or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. Implementation of this standard resulted in a restatement of net position of $205,636,931 and $14,193,855 for governmental activities and business-type activities, respectively.

ii. GASB 71 – "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68". The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this statement is to eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68. Application of Statement No. 71 is effective for the City's fiscal year ended June 30, 2015.

The following newly emerged pronouncements have been considered but had no effect on the City for the current fiscal year:

i. GASB 66 - "Technical Corrections-2012; an amendment of GASB Statements No. 10 and No. 62."The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

ii. GASB 67 - "Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25", effective for the fiscal years beginning after June 15, 2013.

GASB 69 - "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., governmental combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. However, earlier application of the statement is encouraged.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

iii. GASB 70 - "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separated entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2013.

Pending Accounting Standards

GASB has issued the following statements which may impact the City's financial reporting requirements in the future:

- GASB 72 – "Fair Value Measurement and Application". The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.
- GASB 73 – "Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No.68, and Amendments to Certain Provision of GASB Statements No.67 and No.68". The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
- GASB 74 – "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
- GASB 75 – "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans". The provisions of the statement are effective for fiscal years beginning after June 15, 2017.
- GASB 76 – "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". The provisions of this statement are effective for reporting periods beginning after June 15, 2015.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, special revenue, debt service, capital projects, and permanent funds, except for Fine. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The City Council also adopts annual financial plans for the enterprise and internal service funds and five-year capital budget plans for capital expenditures accounted for primarily in proprietary funds. All proprietary fund types are accounted for on an economic resources measurement focus. The City is not legally mandated to report the results of operations and capital expenditures for these proprietary fund types on a budgetary comparison basis; therefore, budgetary data related to these funds have not been presented.

The level of appropriated budgetary control is the total adopted budget which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted and detailed below. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget by action of the City Council.

The City utilizes an encumbrance system, whereby commitments such as purchase orders and unperformed contracts are recorded as committed fund balances at year-end.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

B. Supplemental Budget Appropriations and Adjustments

The budget at June 30, 2015 includes appropriations based on encumbrances outstanding and approved re-appropriations at June 30, 2014 and excludes amounts reserved for encumbrances outstanding and approved re-appropriations at June 30, 2015.

During the year, several supplemental budget appropriations were adopted by the City Council as amendments to the annual budget. These changes to appropriations are as follows:

	General Fund	Special Revenue Funds
Original budget	$ 183,425,973	9,722,571
Additional appropriations for:		
Various programs and capital projects	592,966	10,442,959
Purchase of equipment	129,565	874,683
Consulting, supplies, payroll, etc.	5,330,685	3,336,728
Adjustments and net transfers between fund types	12,351,277	-
Amended budget	201,830,466	24,376,941
Encumbrances outstanding at year-end	(135,913)	(1,915,091)
Final budget	$ 201,694,553	22,461,850

C. Excess of Expenditures and Other Uses Over Appropriations

For the fiscal year ended June 30, 2015, the following funds reflected expenditures in excess of budgeted amounts:

	Amount of Excess
Special Revenue Funds	
Community Charitable Foundation	$ 1,109
CAL SB 1186	8,509
Permanent Fund	
Burton Green	561
Total:	$ 10,179

D. Deficit Fund Equity

For the fiscal year ended June 30, 2015 the Community Development Block Grant special revenue fund was in a fund equity deficit position of $143,396 due to a timing difference in grant reimbursement. The deficit will be eliminated once the grant proceeds have been received. Please see Note 13 for a description of the deficit of $16,775,980 in the Parking Facilities Enterprise Fund.

(3) CASH AND INVESTMENTS

A. Cash and Investments

The City follows the practice of pooling cash and investments of all funds, except for investments required to be held by outside fiscal agents under the provisions of bond indentures.

In accordance with the California Government Code Section 53600 et seq. the City adopts an investment policy annually that, among other things, authorizes types of allowable investments, maximum maturities, maximum concentration of investments by type of investment and issuer, minimum ratings for certain types of investments and how the investments may be held. The City's policy follows the requirements of, or is more restrictive than, the California Government Code. These limitations mitigate the City's interest rate risk, credit risk, concentration of credit risk and custodial credit risk related to its various investments. Authorized investments include:

Authorized Investment Type	Maximum Maturity	Maximum Dollar or Percentage Allowed	Maximum Investment in One Issuer
• State Treasurer's Local Agency Investment Fund (LAIF)	On Demand	LAIF Maximum	N/A
• Securities of the U.S. government or its agencies	5 Years	N/A	N/A
• Obligations of the State of California or any local agency of the State of California	5 Years	25% of Total Portfolio	N/A
• Repurchase agreements	7 Days	25% of Total Portfolio	N/A
• Certificates of deposit (or time deposits)	1 Year	N/A	$250,000
• Negotiable certificates of deposit	36 Months	30% of Total Portfolio	N/A
• Bankers' acceptances	180 Days	15%	N/A
• Commercial paper	270 Days	25% of Total Portfolio	N/A
• Corporate medium-term notes	5 Years	30% of Total Portfolio	N/A
• Corporate bonds	5 Years	30% of Total Portfolio	N/A
• Shares of money market funds	On Demand	20% of Total Portfolio	N/A

The City's cash and investments at June 30, 2015 are summarized as follows:

(3) CASH AND INVESTMENTS, CONTINUED

	Unrestricted Cash and Investments					Restricted Cash and Investments			
	Governmental Activities	Business-type Activities	Government-wide Subtotal	Fiduciary Funds	Total	Governmental Activities	Business-type Activities	Total	Total
Major funds:									
General	$ 142,557,260	—	142,557,260	—	142,557,260	—	—	—	142,557,260
Infrastructure Capital Projects	41,273,430	—	41,273,430	—	41,273,430	—	—	—	41,273,430
Water Enterprise	—	31,220,045	31,220,045	—	31,220,045	—	5,772,056	5,772,056	36,992,101
Parking Facilities Enterprise	—	17,831,841	17,831,841	—	17,831,841	—	2,005,989	2,005,989	19,837,830
Solid Waste Enterprise	—	18,115,017	18,115,017	—	18,115,017	—	—	—	18,115,017
Wastewater Enterprise	—	32,747,023	32,747,023	—	32,747,023	—	1,623,772	1,623,772	34,370,795
Stormwater Enterprise	—	5,006,387	5,006,387	—	5,006,387	—	—	—	5,006,387
Parking Authority	—	14,112,566	14,112,566	—	14,112,566	—	—	—	14,112,566
Fiduciary funds:									
Beverly Hills Active Adult Club	—	—	—	20,157	20,157	—	—	—	20,157
	183,830,690	119,032,879	302,863,569	20,157	302,883,726	—	9,401,817	9,401,817	312,285,543
Other governmental funds:	42,698,681	—	42,698,681	—	42,698,681	280,442	—	280,442	42,979,123
Total fund type	226,529,371	119,032,879	345,562,250	20,157	345,582,407	280,442	9,401,817	9,682,259	355,264,666
Internal service funds:	174,652,546	—	174,652,546	—	174,652,546	2,174,191	—	2,174,191	176,826,737
Total	$ 401,181,917	119,032,879	520,214,796	20,157	520,234,953	2,454,633	9,401,817	11,856,450	532,091,403
Components of cash and investments:									
Cash in demand deposits			$ 37,073,837	20,157	37,093,994			—	37,093,994
Change and petty cash funds			5,496	—	5,496			—	5,496
Pooled investments			402,612,770	—	402,612,770			280,439	402,893,209
Investments with fiscal agents			80,248,286	—	80,248,286			11,576,011	91,824,297
Corporate Stock			274,407	—	274,407			—	274,407
Total cash and investments			$ 520,214,796	20,157	520,234,953			11,856,450	532,091,403

B. Financial Risks

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits its entire general investment portfolio to maturities of less than five years, unless a specific investment is tied to a particular cash flow need and is specifically approved by City Council. Investment in corporate debt securities are further limited (commercial paper – 270 days, medium term corporate notes – 5 years, corporate bonds – 5 years). Maturities are also limited for repurchase agreements (7 days), time certificates of deposit (1 year), negotiable certificates of deposit (36 months) and bankers' acceptances (180 days).

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City mitigates its credit risk generally by following its three primary investment objectives, in order, of safety, liquidity and yield. The California Government Code generally limits allowable investments to those classes of investments with lower risk (and therefore lower yields). The City's investment policy further restricts these investments to the highest quality within a category, excludes certain otherwise allowable investments as not meeting the City's liquidity requirement and limits the portion of the total general portfolio for certain investment types. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented on page 61 is the minimum rating required by the California Government Code, the City's investment policy and debt agreements, and the actual rating as of year end for each investment type.

(3) CASH AND INVESTMENTS, CONTINUED

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy generally requires that all securities be held in the City's name by a third-party custodian (not the counterparty) and evidenced by safekeeping receipts. Certain investments held by fiscal agents may be held by the counterparty's trust department or agent in the City's name.

At June 30, 2015, the carrying amount of the City's various demand deposit accounts totaled $37,093,994. Bank balances at June 30, 2015 totaling $41,072,412, were either covered by Federal Deposit Insurance or were fully collateralized by investments held in the bank's trust department. The California Government Code requires California banks and savings and loan associations to secure a local governmental agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a government agency's deposits. California law also allows financial institutions to secure a government agency's deposits by pledging seasoned first trust deed mortgage notes having a value of 150% of a governmental agency's total deposits. Change and petty cash funds totaled $5,496 at June 30, 2015.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Assoc.	Federal Agency Securities	$ 132,239,550
Federal Home Loan Banks	Federal Agency Securities	$ 67,254,122
Federal Home Loan Mortgage Corporation	Federal Agency Securities	$ 49,956,450
Federal Farm Credit Bureau	Federal Agency Securities	$ 29,541,430

Investments of all funds and reporting units are pooled, thus investments in any one issuer that represent 5% or more of total investments by reporting unit (primary government, governmental activities, major fund, nonmajor funds in the aggregate, etc.) are irrelevant.

(3) CASH AND INVESTMENTS, CONTINUED

		Investment Maturities				
	Fair Value	<1 Year	<2 Years	<3 Years	<4 Years	<5 Years
Pooled investments:						
U.S. Federal Agency securities	$ 278,991,552	7,524,600	—	114,860,400	9,985,000	146,621,552
State Municipal Bond	10,053,400	10,053,400	—	—	—	—
State Treasurer's Local Agency Investment Fund	20,221,871	20,221,871	—	—	—	—
Corporate Bonds	93,626,386	5	20,121,220	33,411,091	30,096,870	9,997,200
Total pooled investments	402,893,209	37,799,876	20,121,220	148,271,491	40,081,870	156,618,752
Investments held by fiscal agents:						
Money market mutual funds	91,824,297	91,824,297	—	—	—	—
Total investments held by fiscal agents	91,824,297	91,824,297	—	—	—	—
Corporate stock:	274,407	274,407	—	—	—	—
Total investments	$ 494,991,913	129,898,580	20,121,220	148,271,491	40,081,870	156,618,752

	Minimum Legal Rating		Rating as of Year End					
		Total	Aaa	Aa2	Aa3	A1	A2	A-
Pooled investments:								
U.S. Federal Agency securities	N/A	$ 278,991,552	278,991,552	—	—	—	—	—
State Municipal Bond	A1/A	10,053,400	—	—	10,053,400	—	—	—
State Treasurer's Local Agency Investment Fund	N/A	20,221,871	20,221,871	—	—	—	—	—
Corporate Bonds	A	93,626,386	28,318,436	10,107,400	20,087,700	25,073,550	10,039,300	—
Total pooled investments		402,893,209	327,531,859	10,107,400	30,141,100	25,073,550	10,039,300	—
Investments held by fiscal agents:								
Money market mutual funds	AAAm	91,824,297	91,824,297	—	—	—	—	—
Total investments held by fiscal agents		91,824,297	91,824,297	—	—	—	—	—
Corporate stock:		274,407	—	—	—	—	—	274,407
Total investments		$ 494,991,913	419,356,156	10,107,400	30,141,100	25,073,550	10,039,300	274,407

(3) CASH AND INVESTMENTS, CONTINUED

State Treasurer's Local Agency Investment Fund

At June 30, 2015, the City had $20,221,871 deposited in the California State Treasurer's Local Agency Investment Fund (LAIF), a non-SEC registered, government-sponsored external investment pool. LAIF is a voluntary program established under Section 16429.1-.3 of the California Government Code.

LAIF is part of the Pooled Money Investment Account (PMIA) and has oversight provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB Board members are the State Treasurer, Director of Finance and the State Controller. Additionally, LAIF has oversight by the Local Investment Advisory Board, which consists of five members, as designated by statute. The Chairman is the State Treasurer, who appoints the other four members to two-year terms.

From time to time, the PMIA invests in asset-backed securities. At June 30, 2015, such investments represent 2.08% of the total PMIA portfolio of $69.6 billion (cost basis). The PMIA does not invest in derivative products.

C. Restricted Cash and Investments

The City is required by bond covenants to retain various cash reserves and restricted cash amounts. In the absence of specific statutory provisions governing the issuance of bonds, certificates or leases, these monies may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City's general investment policy.

The City also maintains cash and investments restricted under the terms of several endowment trust agreements. The earnings from these monies, accounted for in the City's permanent funds, may be spent in accordance with the endowment trust restrictions. The monies are included in the City's pooled cash and investment program.

Restricted cash and investments comprised of:

Temporarily restricted	$ 11,775,069
Permanently restricted	81,381
	$ 11,856,450

Restricted Cash and Investments
June 30, 2015

Debt Issues/Capital Projects/Endowments	Amount
Governmental activities:	
Nonmajor funds:	
Permanent Funds:	
Temporarily restricted:	
Buck Fund endowment	177,924
Burton Green Fund endowment	21,137
	199,061
Permanently restricted:	
Buck Fund endowment	34,641
Burton Green Fund endowment	46,740
	81,381
Total permanent funds	280,442
Total governmental funds	280,442
Capital Assets Internal Service Fund:	
2009 Refunding Bonds reserve funds	1,728,791
Employee Benefits Internal Service Fund:	
2010 Lease Revenue Bonds project funds	445,400
Total internal service funds	2,174,191
Total governmental activities	2,454,633
Business-type activities:	
Water Enterprise Fund:	
2008 Refunding Water Bonds reserve funds	2,735,762
2009 Refunding Bonds construction funds	1,259,710
2009 Refunding Bonds reserve funds	1,776,584
Total Water Enterprise Fund	5,772,056
Parking Facilities Enterprise Fund:	
2010 Lease Revenue Bonds construction funds	1,649,801
2009 Refunding Bonds reserve funds	356,188
Total Parking Facilities Enterprise Fund	2,005,989
Wastewater Enterprise Fund:	
2008 Ref. Wastewater Bonds reserve funds	1,623,772
Total business-type activities	9,401,817
Total restricted cash and investments	$ 11,856,450

(3) CASH AND INVESTMENTS, CONTINUED

D. Cash and Investments – Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City deposits deferred compensation plan assets with the International City Managers' Association (ICMA). Federal legislation requires that the assets of such plans be held in trust for the exclusive benefit of the plan participants and their beneficiaries. ICMA acts as the trustee for the plan assets and the City is considered to have limited fiduciary responsibility for the plan assets. As such, the City does not report the deferred compensation plan assets on its financial statements. (See Note 9B to the basic financial statements for additional information about this plan.)

(4) RECEIVABLES AND UNEARNED REVENUE

A. Receivables

All receivables are expected to be collected within one year, except for delinquent property taxes, and the notes receivable from the Chief Information Officer, David Schirmer, Assistant Director of Community Services- Recreation and Parks Steven Zoet, Director of Parking Operations, Chad Lynn,. (See Note 10 for a more comprehensive description of this receivable.)

Receivables at June 30, 2015 for the City's individual major funds, and non-major and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are detailed below:

Receivables	General	Infra-structure	Nonmajor Govern-mental	Internal Service	Total
Governmental activities:					
Accounts	$ 5,459,537	—	18,181	179,822	5,657,540
Taxes	13,408,617	—	—	—	13,408,617
Interest – unrestricted	362,702	50,524	60,230	444,805	918,261
Intergovernmental	—	108,512	124,459	—	232,971
Interfund receivables	13,586,172	—	361,889	1,447,559	15,395,620
Gross receivables	32,817,028	159,036	564,759	2,072,186	35,613,009
Less: allowance for uncollectibles	(1,799,915)	—	—	—	(1,799,915)
Net receivables	$ 31,017,113	159,036	564,759	2,072,186	33,813,094

Receivables	Water	Parking Facilities	Solid Waste	Waste-water	Storm-water	Parking Authority	Total
Business-type activities:							
Accounts	$ 5,036,297	109,488	3,131,117	2,043,752	328,814	155,639	10,805,107
Interest – unrestricted	82,004	50,662	44,838	82,421	7,168	73,961	341,054
Gross receivables	5,118,301	160,150	3,175,955	2,126,173	335,982	229,600	11,146,161
Less: allowance for uncollectibles	(523,622)	(1,632)	(472,887)	(145,976)	(33,950)	(9,058)	(1,187,125)
Net receivables	$ 4,594,679	158,518	2,703,068	1,980,197	302,032	220,542	9,959,036

(4) RECEIVABLES AND UNEARNED REVENUE, CONTINUED

B. Unavailable / Unearned Revenue

Governmental activities report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All funds defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2015, the various components of unavailable revenue and unearned revenue are as follows:

	Unavailable	Unearned	Total
Governmental funds:			
General fund:			
Delinquent property taxes	$ 2,500,962	—	2,500,962
Business tax	1,243,080	1,258,293	2,501,373
Interest receivable	231,116	—	231,116
Misc. receivable	339,138	—	—
General fund total	4,314,296	1,258,293	5,233,451
Prepaid Community Development Services	102,588	—	102,588
Federal grant revenue	1,566	—	1,566
Debt Services	2,991	—	2,991
Infrastructure capital projects fund	32,400	—	32,400
Other governmental funds	46,987	—	46,987
Governmental funds total	4,500,828	1,258,293	5,419,983
Internal Service Funds	$ —	36,414	36,414

	Unearned
Business-type activities:	
Prepaid monthly parking fees	$ 399,002
Prepaid property leases	54,351
Prepaid post office lease	413,141
Prepaid water meter installation	398,973
	$ 1,265,467

(5) INTERFUND RECEIVABLES/PAYABLES

Interfund receivable/payable balances at June 30, 2015 consist of the following:

- The Community Development Block Grant Special Revenue Fund borrowed $88,127 from the General Fund, and Law Enforcement Grants Fund borrowed $8,259. These overdrafts resulted from timing differences on collection of grants receivable.

As of June 30, 2015, the total balance of interfund receivables due to the City from The Parking Authority is $46,249,549 which consists of the following:

- In 2004, the General Fund advanced a total of $17,137,709 to the Parking Enterprise Fund to cover Beverly Canon parking lot project expenditures. Total advances from the General Fund represent 51.7% of the $34.1 million project cost. In FY 2011-2012, The Parking Authority assumed the debt at a new rate of 3.85%. As of June 30, 2015, the balance of the receivable is $10,844,897.
- During FY 2008-2009 the General Fund advanced a total of $5,830,000 to the Parking Enterprise Fund to cover tenant improvements. These advances from the General Fund represent 89.3% of the $6.5 million budgeted project cost. In FY 2011-2012, The Parking Authority assumed the debt at a new rate of 3.85%. As of June 30, 2015, the balance of the receivable is $2,644,889.
- The Parks and Recreation Facilities and Capital Assets Internal Service Funds advanced the Parking Enterprise Fund a combined total of $37,100,000 to cover Public Gardens Parking lot project expenditures during FY 2006-2007. In FY 2011-2012, The Parking Authority assumed the debt at a new rate of 3.85%. As of June 30, 2015, the balance of these receivables is $32,759,763, consisting of $6,551,953 owed to the Parks and Recreation Facilities Fund, $15,946,515 owed to the Capital Assets Fund, and $10,261,295 owed to the Vehicles Internal Service fund. The terms of the borrowing require unpaid interest to add to the principal.

	Interfund Receivable				
Interfund Payable	General Fund	Parks and Recreation Facilities Fund	Capital Assets Fund*	Vehicles Fund*	Total
Governmental Activities:					
Community Development Block Grant	$ 88,127	-	-	-	88,127
Law Enforcement Grants Fund	8,259	-	-	-	8,259
Governmental Activities Total:	96,386	-	-	-	96,386
Business-type Activities:					
Parking Authority	13,489,786	6,551,953	15,946,515	10,261,295	46,249,549
Business-type Activities Total:	13,489,786	6,551,953	15,946,515	10,261,295	46,249,549
Total:	$ 13,586,172	6,551,953	15,946,515	10,261,295	46,345,935

* Internal service fund

(6) TRANSFERS

Significant interfund transfers during the year ended June 30, 2015 consist of the following:

- The General Fund transferred $7,112,808 to the Infrastructure Fund and $1,369,142 to the Debt Service Fund to pay for capital improvement projects and debt service, respectively. An additional amount of $3,311,276 was transferred to the Infrastructure Fund for improvements to Beverly Gardens Park. It transferred $1,500,000 to reduce Other Post Employment Benefits (OPEB) unfunded liability. It transferred $1,300,000 to the Capital Assets Fund for property acquisition and enhancements. It also transferred $2,640,400 to support the Stormwater Fund and $2,000,000 to the Water Enterprise Fund. Lastly, the General Fund transferred $1,750,000 to the Parks and Recreation Facilities Fund, $525,000 to Liability Claims Fund, and $40,000 to the Information Technology Fund.
- The Parks and Recreation Facilities Fund transferred $200,000 to the General Fund to support the cost of tree maintenance.
- The Street and Highways State Gas Tax Fund transferred $6,000 to the General Fund for street maintenance.
- The Charitable Foundation transferred $30,600 to the General Fund and $587,745 to the Infrastructure Fund.
- The Parking Enterprise fund transferred $12,190,605 to Infrastructure Fund for South Santa Monica Blvd. project.
- The Solid Waste Enterprise Fund transferred $60,000 to the Stormwater Fund for clean water support and street sweep.
- The Liability Claims Reserve Fund transferred $200,000 to the Infrastructure Fund in support of sidewalk replacement and repairs.

Following is a summary of transfers between funds during the year ended June 30, 2015:

	Fund Transferred To												
	Governmental Activities								Business-type Activities				
Fund Transferred From	General	Infrastructure Capital Projects	Other Governmental Funds	Information Technology	Capital Assets	Liability Claims	Employee Health Benefits	Administration Policy and Legal	Parking Authority	Solid Waste	Storm-Water	Water	Total
Governmental funds:													
General Fund:	$ —	10,231,945	3,119,142	40,000	1,304,331	525,000	1,500,000	—	—	—	2,640,400	2,000,000	21,360,818
Nonmajor governmental funds:													
Streets & Highways State Gas Tax	6,000	—	—	—	—	—	—	—	—	—	—	—	6,000
Parks and Recreation Facilities	200,000	—	—	—	—	—	—	—	—	—	—	—	200,000
Charitable Foundation	30,600	587,745	—	—	—	—	—	—	—	—	—	—	618,345
Total Nonmajor Govt funds	236,600	587,745	—	—	—	—	—	—	—	—	—	—	824,345
***Internal service funds*:**													
Liability Claims Reserve Fund	—	200,000	—	—	—	—	—	—	—	—	—	—	200,000
Capital Assets	—	—	—	—	—	—	—	—	—	—	—	—	—
Total internal service funds	—	200,000	—	—	—	—	—	—	—	—	—	—	200,000
Enterprise funds:													
Solid Waste	—	—	—	—	—	—	—	25,000	—	—	60,000	—	85,000
Parking Facilities	—	12,190,610	—	—	—		—	—	4,435,040	—	—	—	16,625,650
Total Enterprise funds	—	12,190,610	—	—	—	—	—	25,000	4,435,040	—	60,000	—	16,710,650
Total	$ 236,600	23,210,300	3,119,142	40,000	1,304,331	525,000	1,500,000	25,000	4,435,040	—	2,700,400	2,000,000	39,095,813

(7) CAPITAL ASSETS

A. Capital Assets – Governmental Activities

Infrastructure assets and the City's fine art collection are reported only in the government-wide statement of net positions; all other governmental capital assets are reported in internal service funds. The changes in capital assets for governmental activities for the year ended June 30, 2015 were as follows:

Governmental Activities	Beginning Balance	Acquisition and Construction/ Depreciation	Sales and Other Dispositions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 51,833,124	—	—	—	51,833,124
Fine Art Collection	2,169,851	—	—	80,000	2,249,851
Construction in progress	8,520,617	14,071,180	—	(13,804,111)	8,787,686
Total capital assets not being depreciated	62,523,592	14,071,180	—	(13,724,111)	62,870,661
Capital assets being depreciated:					
Buildings	243,758,677	—	—	—	243,758,677
Improvements other than buildings	74,379,263	557,967	(46,082)	2,280,290	77,171,438
Infrastructure	139,490,229	—	(10,779,452)	6,111,512	134,822,289
Machinery and equipment	62,520,883	303,910	(2,785,337)	5,332,309	65,371,765
Total capital assets being depreciated	520,149,052	861,877	(13,610,871)	13,724,111	521,124,169
Less accumulated depreciation for:					
Buildings	(91,530,129)	(5,803,968)	—	—	(97,334,097)
Improvements other than buildings	(17,380,401)	(3,210,824)	46,081	—	(20,545,144)
Infrastructure	(57,886,338)	(4,666,147)	10,779,450	—	(51,773,035)
Machinery and equipment	(44,386,014)	(5,460,449)	2,746,903	—	(47,099,560)
Total accumulated depreciation	(211,182,882)	(19,141,388)	13,572,434	—	(216,751,836)
Net capital assets being depreciated	308,966,170	(18,279,511)	(38,437)	13,724,111	304,372,333
Total net capital assets – governmental activities	$ 371,489,762	(4,208,331)	(38,437)	—	367,242,994

	Depreciation
General government	$ (1,283,317)
Public safety	(10,434,404)
Public service	(2,556,862)
Culture and recreation	(4,866,805)
Total depreciation expense – governmental activities	$ (19,141,388)

(7) CAPITAL ASSETS, CONTINUED

B. Capital Assets – Business-type Activities

Changes in capital assets for business-type activities for the year ended June 30, 2015 were as follows:

Business-type Activities	Beginning Balance	Acquisition and Construction/ Depreciation	Sales and Other Dispositions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 33,114,045	—	—	—	33,114,045
Construction in progress	14,972,352	13,173,486	—	(10,545,806)	17,600,032
Total capital assets not being depreciated	48,086,397	13,173,486	—	(10,545,806)	50,714,077
Capital assets being depreciated:					
Buildings	212,043,414	35,143	—	2,416,628	214,495,185
Utility systems	204,996,475	—	—	5,625,252	210,621,727
Improvements other than buildings	4,308,169	—	—	2,018,415	6,326,584
Machinery and equipment	9,873,730	—	—	485,511	10,359,241
Total capital assets being depreciated	431,221,788	35,143	—	10,545,806	441,802,737
Less accumulated depreciation for:					
Buildings	(98,824,092)	(6,333,532)	—	—	(105,157,624)
Utility systems	(69,814,000)	(5,017,142)	—	—	(74,831,142)
Improvements other than buildings	(1,959,592)	(269,027)	—	—	(2,228,619)
Machinery and equipment	(7,886,565)	(494,414)	—	—	(8,380,979)
Total accumulated depreciation	(178,484,249)	(12,114,115)	—	—	(190,598,364)
Net capital assets being depreciated	252,737,539	(12,078,972)	—	10,545,806	251,204,373
Total net capital assets – business-type activities	$ 300,823,936	1,094,514	—	—	301,918,450

	Depreciation
Water	$ (3,966,174)
Parking facilities	(605,097)
Solid waste	(42,818)
Wastewater	(1,574,432)
Stormwater	(259,202)
Parking Authority	(5,666,392)
Total depreciation expense – business-type activities	$ (12,114,115)

(8) LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liabilities related to infrastructure capital projects are reported only in the government-wide statement of net positions. The governmental activities long-term liabilities are reported in internal service funds. The following is a summary of changes in the City's long-term debt and other long-term liabilities during the year ended June 30, 2015. Please note that long-term liability related to Net pension liabilities is not included in this schedule and additional details can be found in Note 16.

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 118,180,776	—	(7,894,404)	110,286,372	10,104,162
Plus (less) amounts for:					
Original issue premiums	9,629,251	—	(475,993)	9,153,258	—
Total bonds payable	127,810,027	—	(8,370,397)	119,439,630	10,104,162
Note payable	26,881,191	—	(1,667,145)	25,214,046	1,762,520
Compensated absences*	13,229,452	3,125,212	(764,601)	15,590,063	1,059,958
Claims payable*	12,504,735	9,560,637	(8,314,709)	13,750,663	3,303,865
Capital leases payable	28,800	557,969	(240,750)	346,019	89,618
Long-term liabilities of governmental activities	180,454,205	13,243,818	(19,357,602)	174,340,421	16,320,123
Business-type activities:					
Revenue bonds payable	125,449,224	—	(7,825,596)	117,623,628	7,275,837
Plus (less) amounts for:					
Original issue premiums	9,455,881	—	(782,831)	8,673,050	—
Total bonds payable	134,905,105	—	(8,608,427)	126,296,678	7,275,837
Long-term liabilities of business-type activities	134,905,105	—	(8,608,427)	126,296,678	7,275,837
Total long-term liabilities	$ 315,359,310	13,243,818	(27,966,029)	300,637,099	23,595,960

* For these long term liabilities, the governmental fund that has typically been used in prior years to liquidate these amounts is the General Fund. This is also the case for payments towards pension liabilities and Other Post Employment Benefit liabilities as well. Given that each of these long term liabilities is being accounted for in an internal service fund, and given the knowledge that the internal service funds allocate the cost of their services to user departments on a cost reimbursement basis, then as far as the burden on governmental funds is concerned, since the General Fund acts as one of the larger users of internal services, then it primarily has been used to liquidate these long term liabilities.

(8) LONG-TERM LIABILITIES, CONTINUED

B. Bonds and Note Payable

The City's bonds were issued primarily to finance or refinance capital facilities. The 2012 Lease Revenue Bonds are reported only in the government-wide statements of net positions and activities; the balance of governmental activities debt issues are reported in the Capital Assets Internal Service Fund. Business-type activities debt issues are reported in the City's enterprise funds. Several debt securities were issued for multiple purposes so the principal and related interest costs of the debt are allocated between the respective funds.

A summary of bonds outstanding at June 30, 2015 is as follows:

Debt Issue	Governmental Activities	Business-type Activities	Total
Revenue bonds:			
2012 Lease Revenue	$ 42,951,394	13,568,606	56,520,000
2012 Water Revenue	—	36,825,000	36,825,000
2010 Lease Revenue	13,543,860	32,151,140	45,695,000
2009 Refunding Lease	53,791,118	6,868,882	60,660,000
2008 Water Revenue	—	18,580,000	18,580,000
2008 Wastewater Revenue	—	9,630,000	9,630,000
Original issue premium	9,153,258	8,673,050	17,826,308
Total revenue bonds	119,439,630	126,296,678	245,736,308
Total bonds	$ 119,439,630	126,296,678	245,736,308

A description of individual bond issues follow:

Revenue Bonds

2008 Refunding Water Revenue Bonds –
$30,735,000 Public Financing Authority, Water Revenue Bonds, issued March 2008, are due in annual installments ranging from $670,000 to $2,360,000 through June 1, 2024, with interest rates ranging from 3.00% to 5.00% payable semiannually June 1 and December 1. The Bonds are special limited obligations of the Public Financing Authority and are primarily payable from installment payments from the City pursuant to an installment sale agreement dated April 1, 2008. The City's obligation to make installment payments is solely payable from and secured by a pledge of net revenues of the Water Enterprise Fund. The advance refunding resulted in an economic gain (difference between the present value of the debt services payments on the old and new debt) of $ 389,918 and a reduction of total debt service payments of $601,184. The 2008 WRBs were issued in part to advance refunding of the 1998 WRBs, which were in turn issued for multiple purposes. The non-refunding portion was issued for acquiring an existing water treatment plant.

	$ 18,580,000
Plus original issue premium	531,336
Net bonds outstanding	$ 19,111,336

2008 Refunding Wastewater Revenue Bonds –
$17,035,000 Public Financing Authority, Wastewater Revenue Bonds, issued April 2009, are due in annual installments ranging from $910,000 to $1,555,000 through June 1, 2022, with interest rates ranging from 2.40% to 5.00% payable semiannually June 1 and December 1. The Bonds are special limited obligations of the Public Financing Authority and are primarily payable from installment payments from the City pursuant to an installment sale agreement dated May 1, 2008. The City's obligation to make installment payments is solely payable from and secured by a pledge of net revenues of the Wastewater Enterprise Fund. The advance refunding resulted in an economic gain (difference between the present value of the debt services payments on the old and new debt) of $793,750 and a reduction of total debt service payments of $1,161,564. The 2008 WWRBs were issued to advance refunding of the 1998 WWRBs, which were in turn issued for multiple purposes.

	$ 9,630,000
Plus original issue premium	234,980
Net bonds outstanding	$ 9,864,980

(8) LONG-TERM LIABILITIES, CONTINUED

2009 Lease Revenue Bonds – $72,015,000 Public Financing Authority, 2009 Lease Revenue Bonds, issued December 2009, are due in annual installments ranging from $210,000 to $8,445,000 through June 1, 2039, with interest rates ranging from 0.65% to 5.00% payable semiannually June 1 and December 1. The Bonds are special limited obligations of the Public Financing Authority and are payable solely from rent payments from the City pursuant to a lease agreement. The advance refunding resulted in an economic gain (difference between the present value of the debt services payments on the old and new debt) of $ 6,690,454 and a reduction of total debt service payments of $8,885,308. The 2009 LRBs were issued in part to advance refunding of the 1999 and 2001 LRBs, which were in turn issued for multiple purposes. The non-refunding portion was issued for multiple purposes as well. Thus the principal has been allocated and is accounted for in the appropriate City funds (enterprise, internal service funds, and general government). During, FY 2011-2012, the City issued the 2012 Lease Revenue Bonds (see below) as well as the 2012 Water Revenue Bonds. These bond transactions included a transfer of ownership of the 2009 LRB liability from the Water Enterprise Fund to the Capital Assets Fund. The total amount of bonds outstanding was unaffected. The following is a schedule of the allocation of the 2009 Refunding LRBs, net of discount, by fund at June 30, 2015:

Capital Assets Fund	$ 53,791,118
Parking Enterprise Fund	6,868,882
	60,660,000
Plus original issue premium	5,102,736
Net bonds outstanding	$ 65,762,736

2010 Lease Revenue Bonds – $62,565,000 Public Financing Authority, 2010 Lease Revenue Bonds, issued August 2010, are due in annual installments ranging from $930,000 to $5,825,000 through June 1, 2040, with interest rates ranging from 0.52% to 6.774% payable semiannually June 1 and December 1. The Bonds are special limited obligations of the Public Financing Authority and are payable solely from rent payments from the City pursuant to a lease agreement. The 2010 LRBs were issued in three distinct series. Series A bonds had a value of $13,705,000; Series B bonds had a value of $28,940,000, and Series C Build America Bonds had a value of $19,920,000. The Series A bonds and the Series C Build America Bonds were issued primarily to finance the acquisition and construction of certain capital improvements to be owned and operated by the City. The taxable Series B bonds were issued primarily to finance a portion of the acquisition and construction costs of the improvements previously mentioned, and to fund the City's alternative retiree medical program (ARMP). Please see Note 11, Post Employment Health Care Benefits for more detailed information regarding the ARMP. The following is a schedule of the allocation of the 2010 Refunding LRBs, net of discount, by fund at June 30, 2015:

Employee Benefits Internal Service Fund	$ 13,543,860
Parking Facilities Fund	32,151,140
	45,695,000
Plus original issue premium	897,755
Net bonds outstanding	$ 46,592,755

(8) LONG-TERM LIABILITIES, CONTINUED

2012 Water Revenue Bonds – $38,925,000

Public Financing Authority, Water Revenue Bonds, issued April 2012, are due in annual installments ranging from $215,000 to $2,520,000 through June 1, 2037, with interest rates ranging from 3.00% to 5.00% payable semiannually June 1 and December 1. The Bonds issued are (i) to refund on a current basis an outstanding issue of the Authority's bonds captioned "City of Beverly Hills Public Financing Authority, 2007 Water Revenue Bonds", (ii) to prepay certain obligations of the Water Enterprise in order to contribute funds toward the refunding of an outstanding lease revenue bond issue of the Authority, and (iii) to pay the costs of issuing the Bond. The Bonds are special limited obligations of the Public Financing Authority and are primarily payable from installment payments from the City pursuant to an installment sale agreement dated April 11, 2002. The advance refunding resulted in an economic gain (difference between the present value of the debt services payments on the old and new debt) of $ 4,090,450 and a reduction of total debt service payments of $9,849,432. The City's obligation to make installment payments is solely payable from and secured by a pledge of net revenues of the Water Enterprise Fund.

	$ 36,825,000
Plus original issue premium	5,160,505
Net bonds outstanding	$ 41,985,505

2012 Lease Revenue Bonds – $58,140,000 Public Financing Authority, 2012 Lease Revenue Bonds, issued April 2012, are due in annual installments ranging from $90,000 to $6,115,000 through June 1, 2037, with interest rates ranging from 2.00% to 5.00% payable semiannually June 1 and December 1. The Bonds issued are primarily to refund on a current basis the outstanding bonds of the Authority captioned "City of Beverly Hills Public Financing Authority 2007 Lease Revenue Bonds (Capital Improvements Projects)." In addition, the proceeds of the Bonds will pay the costs of issuing the Bond. The principal has been allocated and is accounted for in the appropriate City funds (enterprise, internal service funds, and general government). The advance refunding resulted in an economic gain (difference between the present value of the debt services payments on the old and new debt) of $6,900,883 and a reduction of total debt service payments of $19,518,863. The following is a schedule of the allocation of the 2012 Refunding LRBs by fund at June 30, 2015:

Capital Assets Fund	$ 14,023,452
Parking Facilities Fund	13,568,606
General Long-Term Debt	28,927,942
	56,520,000
Plus original issue premium	5,898,996
Net bonds outstanding	$ 62,418,996

Total bonds outstanding	$ 245,736,308

(8) LONG-TERM LIABILITIES CONTINUED

Note Payable

On January 26th, 2009 the City of Beverly Hills Public Financing Authority entered into an agreement with City National Bank to borrow against a line of credit up to an amount of $32,000,000 for the construction of a 72,460 sq. ft. four story office building at 331 N. Foothill Road, Beverly Hills, CA 90210. The line of credit was drawn down through December of 2010, at which time, the City converted the line of credit into a long term obligation. The obligation has a term of 15 years and an interest rate of 5.72%. Interest and principal are payable in the amount of $265,217 per month on the first day of the month after the loan closing. This translates to an annual repayment amount of $3,185,604. As of June 30, 2015, the amount borrowed against the line of credit is $32,000,000. The asset pledged as security for the loan is the constructed 72,460 sq. ft. four story office building at 331 N. Foothill Road, Beverly Hills, CA 90210. As of June 30, 2015, the balance of the note payable was $25,214,046.

(8) LONG-TERM LIABILITIES, CONTINUED

Annual Debt Service Requirements to Maturity

	Revenue Bonds				Note Payable				Total
	Governmental Activities		Business-type Activities		Governmental Activities		Total		Debt
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Service
2016	10,104,162	5,018,267	7,275,839	5,778,679	1,762,520	1,420,089	19,142,521	12,217,035	31,359,556
2017	10,528,127	4,586,531	7,591,873	5,476,495	1,871,419	1,311,191	19,991,419	11,374,216	31,365,635
2018	10,983,532	4,126,812	7,906,468	5,158,250	1,982,882	1,199,727	20,872,882	10,484,789	31,357,672
2019	11,467,617	3,636,899	8,257,383	4,812,754	2,100,984	1,081,625	21,825,984	9,531,278	31,357,263
2020-2024	34,022,917	11,651,758	33,172,083	18,961,257	12,533,549	3,379,498	79,728,549	33,992,513	113,721,062
2025-2029	20,458,332	5,323,080	18,681,668	12,743,061	4,962,693	241,377	44,102,693	18,307,518	62,410,210
2030-2034	6,800,779	2,178,551	17,384,221	8,053,525	—	—	24,185,000	10,232,076	34,417,076
2035-2039	5,920,906	671,820	15,669,094	2,938,181	—	—	21,590,000	3,610,001	25,200,001
2040-2044	—	—	1,685,000	114,142	—	—	1,685,000	114,142	1,799,142
Total minimum debt service payments	$ 110,286,372	37,193,717	117,623,629	64,036,344	25,214,047	8,633,507	253,124,048	109,863,568	362,987,616
Unamortized portion of:									
Original issue premium	9,153,258		8,673,050		—		17,826,308		17,826,308
Net total debt outstanding	$ 119,439,630		126,296,679		25,214,047		270,950,356		380,813,924

Reserve Funds

Certain bond issues require that reserve funds be established in amounts equal to either:

1. 10% of the outstanding principal
2. 125% of remaining average annual debt service.

Based on the reserve alternative calculation methods, restricted assets at June 30, 2015, consisting of cash and investments, include the following:

	Requirement	Balance
2008 Refunding Water	$ 2,735,762	2,735,762
2008 Refunding Wastewater	1,623,772	1,623,772
2009 Lease Revenue	3,861,563	3,861,563

C. Capital Leases

During FY2011-2012, there was an energy conservation project which the City undertook. This project involved installing energy saving equipment on City facilities. This equipment and related installation costs were financed by Southern California Edison. The repayment is contracted to occur through utility usage cost savings. The total amount financed was the cost of the equipment which was $1,164,630, consisting of the principal amount of the Capital Lease being $992,712, with imputed interest of $171,918. As of June 30, 2015, the capital lease payable amount is $346,019 and the accumulated depreciation on the equipment under capital lease was $86,862. The equipment under lease are pledged as security for this obligation to Southern California Edison.

(8) LONG-TERM LIABILITIES, CONTINUED

D. Claims Payable

The City has initiated self-insurance programs to provide for general liability, workers' compensation claims and unemployment insurance claims. These activities are accounted for in self-insurance internal service funds. Details of self-insurance liabilities at June 30, 2015 are as follows:

		General Liability	Workers' Compensation	Unemployment Insurance	Total
Current	$	1,086,005	2,217,860	—	3,303,865
Long-term		2,963,984	7,482,814	—	10,446,798
	$	4,049,989	9,700,674	—	13,750,663

For changes in the liabilities for claims for each of the City's self-insurance funds (general liability, workers' compensation and unemployment), for the years ended June 30, 2015 and 2014, please refer to page 51.

E. Compensated Absences

Compensated absences consists of accrued vacation leave and accrued vested sick leave (e.g., that portion of unused sick leave benefit that vests and is payable upon retirement). Compensated absences of all funds are reported in the Employee Benefits Internal Service Fund. Compensated absences consist of the following at June 30, 2015:

		Total
Vacation leave:		
Current:		
Internal service	$	753,532
Long-term		6,083,735
Total vacation leave		6,837,267
Vested sick leave:		
Current:		
Internal service		306,426
Long-term		8,446,370
Total vested sick leave		8,752,796
Total compensated absences	$	15,590,063

F. No Commitment Debt

In December 2002, the Community Facilities District 2002-A (Business Triangle) of the City of Beverly Hills (Community Facilities District) issued $16,215,000 of Special Tax Bonds, Series 2002. These bonds were issued by the Community Facilities District, a special assessment district within the Business Triangle of the City, the location of world famous retail businesses and hotels. The net proceeds of these bonds together with a contribution from the City of approximately $2.7 million, is being used to fund a $15 million Urban Design Program within the City's Business Triangle. This program will provide for pedestrian and other infrastructure improvements which will be owned and maintained by the City upon completion of the project. The Community Facility District Bonds, payable solely from net special assessments levied on taxable properties within the District, are not obligations of the City, but rather are limited obligations of the Community Facilities District. Accordingly, these bonds are not included in the accompanying basic financial statements. At June 30, 2015, the outstanding principal amount of the bonds was $11,495,000.

G. Non-issued Bonds

On November 2nd, 1955 and on June 7th, 1966, the voters of the City authorized $5,000,000 and $9,500,000 of bonds, respectively, to be issued for the purpose of acquisition and construction of public off-street parking lots and garages. However, following the authorization, the City has thus far not taken action to issue a portion of these bonds. Of the 1955 authorization, $1,450,000 remains un-issued and of the 1966 authorization, $9,500,000 remains unissued. As of June 30, 2015, the City does not plan to issue these bonds. Additionally, on June 4th, 1974, the voters of the City also authorized $3,750,000 of bonds to be issued for the purpose of adding to and extending the City's water works system. As of June 30, 2015, the entire authorization of $3,750,000 remains unissued, and the City does not plan to issue these bonds.

(9) EMPLOYEE DEFERRED COMPENSATION PLANS

The City offers an Employee Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457 to its employees, allowing them to defer or postpone receipt of income. Amounts so deferred may not be paid to the employee during employment with the City except for a catastrophic circumstance creating an undue financial hardship for the employee.

Effective January 1, 1999, Federal legislation (Small Business Job Protection Act of 1996) requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries.

The City's deferred compensation administrator, the International City Managers' Association (ICMA) qualifies as the plan trustee to meet Federal requirements. Since the plan assets are no longer considered the property and rights of the City, such assets are no longer reflected in the accompanying basic financial statements.

The City also offers to its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). All amounts deferred and invested under this plan, with related interest, are the property and rights of the participating employees and, as such, are not reflected in the accompanying financial statements.

(10) RELATED PARTY TRANSACTIONS

In November 1984, The Parking Authority paid the City $6,500,000 in consideration for certain land to be used as the site for the construction of a new parking structure. Upon completion in August 1986, the City leased the parking facility from The Parking Authority. The sale of the land has been accounted for as a sale/leaseback transaction, and the related gain of $1,890,055 is being amortized into income in the Parking Enterprise Fund over the 55-year life of the lease. At June 30, 2015 the balance remaining is $893,437.

During Fiscal Year 2007-2008 the City of Beverly Hills initiated the Housing Assistance Loan Program which provides housing assistance for other executive employees to help them cope with the high cost of housing and to achieve additional objectives.

On October 9th, 2008 the Chief Information Officer, David Schirmer entered into the Housing Assistance Loan Program and was provided an interest only (with future graduated terms) home loan for $952,771. The loan period is 40 years with an interest rate of 3% per annum. At June 30, 2015 the outstanding principal balance of the loan was $910,642.

On May 14th, 2009, the City provided an interest only (with future graduated terms) housing assistance loan to Steven Zoet, Assistant Director of Community Services- Recreation and Parks, for $1,100,000. The loan period is 40 years with an interest rate of 3.0% per annum. At June 30, 2015 the outstanding principal balance of the loan was $1,026,420.

Further, on May 14th, 2009, the City provided a housing assistance loan to Jonathan Lait, Assistant Director of Community Development for $750,000. The loan period is 40 years with an interest rate of 3.0% per annum. On August 19, 2014 Jonathan Lait sold the house, and the outstanding loan amount of $696,211 was fully paid. Thus, this note receivable was cancelled as of August 19, 2014.

On August 20th, 2009, the City provided a housing assistance loan to Chad Lynn, Director of Parking Operations, for $735,000. The loan period is 40 years with an interest rate of 3.0% per annum. At June 30, 2015 the outstanding principal balance of the loan was $673,877.

On October 28, 2010, the City Manager, Jeffrey C. Kolin, entered into the Housing Assistance Loan Program and was provided a home loan for $1,081,341. According to the employment contract, the City Manager has an option for a home improvement loan. Between December 2010 and February 2011, $107,236 of home improvement advances was added to the original home loan principal. The loan period is 40 years with an interest rate of 3.0% per annum. On April 21, 2015 Jeffrey C. Kolin sold the house, and the outstanding loan amount of $1,177,846 was fully paid. Thus, this note receivable was cancelled as of April 21, 2015.

The balances of the notes receivable are contained within the General Fund receivables (see Note 4 Section A).

(11) POST EMPLOYMENT HEALTH CARE BENEFITS

A. Defined Benefit Plan

In addition to the pension benefits described in Note 9, the City provides postretirement health care benefits in accordance with employees' respective compensation plans.

The other post employment benefit (OPEB) provisions of the compensation plans are negotiated with formally recognized bargaining units and groups not formally recognized and are adopted by City Council action. Benefit provisions are stated in the bargaining unit Memorandums of Understanding (MOUs) and may be amended during negotiations, subject to City Council approval. The City is currently enrolled in various health care plans administered by the California Public Employees Retirement System (PERS). The City, as a single employer of this defined benefit plan, pays retirees' PERS health care premiums to the following limits as stipulated in the compensation plans:

- Technical Service employees:
  - For service retirees after the following dates through age 65, or the date the retiree becomes eligible for Medicare, the following health benefits are provided:

After June 1, 1985	Single-party rate
After June 1, 1986	$200/month
After December 1, 1987	$245/month
After December 1, 1988	$270/month

  - For service retirees after February 1, 1990 through age 70, or the date the retiree becomes eligible for Medicare, $300 per month in health benefits is provided.
  - For service retirees after July 1, 2000 through age 70, or the date the retiree becomes eligible for Medicare, the City provides up to $300 per month in health benefits. The benefit is extended up to $150 per month after age 70 if the employee retired with 20 or more years of service. For retirees over the age of 70 who do not meet the requirement, the City will pay the statutory minimum.
- Police Association employees:
  - For employees retiring (service retirement only) after July 1, 1989 through age 70, the City pays up to the two-party rate of the Peace Officers Research Association of California (PORAC) Plan under PERS.
  - For retirees who retired between July 1, 1978 and July 1, 1989, the City pays $211/month, through age 65.

(11) POST EMPLOYMENT HEALTH CARE BENEFITS, CONTINUED

- Retired sworn police personnel who received a disability retirement on or after July 1, 1987 are eligible for the PERS health plan if the employee had 20 years of service with the Beverly Hills Police Department or is over 45 years of age at the time of his or her retirement.

- Police Management Association employees:
  - For employees who retired after July 1, 1989, the City pays up to the two-party rate of the PORAC Plan under PERS (with spouse continuance).
  - For employees who retired before July 1, 1979, the City pays the PERS statutory minimum.
- Firemen's Association employees:
  - For management employees retired after July 1, 1980 with 15 years active City service, the City pays up to the two-party rate of the PORAC Plan, through age 65.
  - For non-management employees (service retirement only) retired after July 1, 1980, the City pays up to the two-party rate of the PORAC Plan, up to age 65.
  - Retired sworn fire employees who received a disability retirement on or after July 1, 1981 are eligible for PERS health care coverage if the employee would have received a service retirement of 50% or greater.
- Safety Support Association employees:
  - For employees service-retired on or after July 1, 1984, the City pays up to the single-party coverage up to the age of 65.
  - For service retirees after July 1, 2001, the City provides health benefits up to $150 per month if the employee retired after age 60 with 20 or more years of service and up to $75 per month with 15 to 20 years of service.
- Executive employees and Management and Professional employees:

  For employees service-retired after July 1, 1981, with the exception of those employees hired after December 2, 1997, the City pays up to the two-party rate of the PERSCare Plan (with spouse continuance). For employees hired or promoted into the management and professional service group on or after December 2, 1997, but on or before December 31, 2009, and who complete a minimum of 5 years of full-time employment with the City, receive a service retirement and do not perform any paid work for a PERS contracting agency following retirement, the City pays up to the single party coverage of the PERSCare Plan at 25% for employees who have completed at least 5 years of service with the City, incremented by 5% for each year of service completed up to 20 years. For Executive employees, the same is true, but at the two-party rate as opposed to the one-party rate. After December 2, 1997, there is no spousal continuance.
- Confidential employees:
  - For employees service-retired after July 1, 1981, the City pays up to the one-party rate of the PERSCare Plan.
- Supervisors Association employees:
  - For employees who were hired prior to January 1, 2010 will receive up to $350 per month until: 1) employee reaches the age of 70 or, 2) retiree becomes eligible for Medicare or, 3) retiree becomes eligible for another employer paid medical plan or V.A. benefits or, 4) for Kaiser enrollees, the retiree moves from the Kaiser Permanente service area .
  - For eligible retirees who are age 70 or older will receive $150 per month toward medical coverage if the retiree: 1) retires after July 1, 2000 and, 2) has 20 years or more of full time service.
  - For retirees over the age of 70 who do not meet these criteria, the City will pay the PERS statutory minimum on their behalf.

The above postretirement health benefits are currently financed on a pay-as-you-go basis, and there is no required or maximum contribution rate for the City, or for plan members. The City Council will set or amend contribution requirements to fund the OPEB liability as needed.

During FY2010, the City provided an offer for full-time employees hired before January 1, 2010 (except sworn employees and members of the Supervisors Association) to participate in the Alternative Retiree Medical Program (ARMP). Employees who do not accept the offer will keep their current retiree medical benefits under their applicable collective bargaining agreement or compensation plan. Employees who choose to accept the ARMP will receive an actuarially determined "Transition Amount" and a monthly "Residual Amount" (if applicable). Employees choosing this new retiree medical program will, in effect, be opting-out of their current retiree medical program.

Employees who elect to participate in ARMP will receive a one-time lump sum transition amount (referred to as the "Transition Amount"). The Transition Amount is an actuarially determined value of current retiree medical coverage based on each employee's current compensation plan or bargaining unit and her/his total years of service with the City and other actuarial factors.

As a mandatory aspect of ARMP, 20% of the Transition Amount will be placed in an ICMA-RC VantageCare Retirement Health Savings Plan account (referred to as an "RHS account") on the employee's behalf. Amounts in this RHS account can be used to pay for eligible medical expenses for the employee and eligible dependents after leaving employment with the City.

(11) POST EMPLOYMENT HEALTH CARE BENEFITS, CONTINUED

Employees who are not already eligible for full retiree medical coverage at the time, then under the terms of the applicable collective bargaining agreement or compensation plan, in addition to the Transition Amount, employees will receive a monthly contribution to their RHS account while employed by the City. Contributions into the RHS account will be made until the amount of the one-time Transition Amount and the monthly contributions equal the actuarially calculated value of full retiree medical coverage under the particular bargaining agreement or compensation plan the employee would have received if she/he had worked with the City until eligible to retire. These additional monthly amounts are referred to as the employee's "Residual Amount."

The City will apply the remainder of the one-time Transition Amount in the following three options.

Option 1: Receive as cash (the cash payment is referred to as the "ARMP Tenure Benefit") in the following year. *Option 2*: Distribute among deferred compensation plans (the 457(b), 401(k), and 415(m) plans). *Option 3*: Receive a portion as a cash ARMP Tenure Benefit in the following year and the balance deposited in deferred compensation plans.

Contributions to the deferred compensation plans were transmitted on behalf of employees to ICMA-RC in later half of December 2010 and any cash distributions of the ARMP Tenure Benefit was received by employees still employed by the City during February 2011 (unless employment terminated due to death or disability in which case the cash was paid upon termination).

During Fiscal Year 2009-2010, the employees' contractual agreements to participate in the ARMP program resulted in reducing the City's OPEB liability by a total of $6,420,416. In accordance with the program, the employees who elected Option 1 or 3 received a cash payout in February of 2011. Employees who elected Option 2 or 3 received a distribution to their deferred compensation plan account. The total of Transition amounts elected before June 30, 2010 and paid in fiscal year 2010-2011, under these options computed to $4,795,522. The portion of the Transition amounts that were distributed to the RHS and deferred compensation accounts as of June 30, 2010 was $1,624,894. During fiscal year 2010-2011, for participants who elected to join the program after June 30, 2010, the total of Transition amounts paid and/or transferred to the RHS and deferred compensation accounts was $10,761,180. Therefore, the total benefits paid for the whole length of the ARMP program was $17,181,597. On-going payments to beneficiaries during FY2010-2011 was $2,056,729. Thus the total OPEB contributions (of on-going payments plus the ARMP Transition) decreased the OPEB liability for FY2010-2011 by $12,817,909.

Please refer to the following table for trend information on the components of annual OPEB cost, net OPEB obligation, as well as information on contributions made. Governmental Accounting Standards Board (GASB) Statement, No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*, was implemented as a new pronouncement starting with Fiscal Year 2007-2008.

Fiscal Year Ended June 30:		2015	2014	2013
Annual Required Contribution (ARC)	$	4,025,000	4,025,000	4,297,000
Miscellaneous Employee Portion		1,650,250	1,650,250	1,761,770
Safety Employee Portion		2,374,750	2,374,750	2,535,230
Interest on the Net OPEB Obligation		(93,000)	(148,000)	(241,000)
Miscellaneous Employee Portion		(38,130)	(60,680)	(98,810)
Safety Employee Portion		(54,870)	(87,320)	(142,190)
ARC Adjustment		102,000	152,000	240,000
Miscellaneous Employee Portion		41,820	62,320	98,400
Safety Employee Portion		60,180	89,680	141,600
Annual OPEB Cost		4,034,000	4,029,000	4,296,000
Miscellaneous Employee Portion		1,653,940	1,651,890	1,761,360
Safety Employee Portion		2,380,060	2,377,110	2,534,640
OPEB contributions made		(2,515,486)	(2,484,852)	(2,436,624)
Increase (decrease) of Net OPEB Obligation		1,518,514	1,544,148	1,859,376
Miscellaneous Employee Portion		622,591	633,101	762,344
Safety Employee Portion		895,923	911,047	1,097,032
Net OPEB Obligation (asset) at beginning of year		(1,863,808)	(3,407,956)	(5,267,332)
Net OPEB Obligation (asset) at end of year		(345,294)	(1,863,808)	(3,407,956)
Miscellaneous Employee Portion		(141,571)	(764,161)	(1,397,262)
Safety Employee Portion		(203,723)	(1,099,647)	(2,010,694)
Percentage of annual OPEB cost contributed		62.36%	61.67%	56.72%

* There is no information since 2008 was the first year of implementation of GASB Statement No. 45.

The City has set aside a total amount of $38,406,214. Since the money set aside has not been placed into an irrevocable trust, then based on the standards of GASB 45, the funding status of the actuarial liability is 0%. However, including the money that has been set aside in the Employee Benefits Fund, the funding status is 39%.

The actuarial accrued OPEB liability as of June 30, 2015 is $99,305,000. The total unfunded actuarial liability is $99,305,000. There are no assets under an actuarial valuation since the City is on a pay-as-you-go basis. The actuarial valuation date is July 1, 2015. The City's annual covered payroll is estimated to

(11) POST EMPLOYMENT HEALTH CARE BENEFITS, CONTINUED

be $70,635,000 for FY2014-2015. The ratio of the unfunded actuarial liability to annual covered payroll is 140.59%.

Please see a schedule of funding progress below and on page 87.

Schedule of Funding Progress - Other Post Employment Benefits

Valuation Date (June 30)	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets) (UAAL)	Funded Status	Annual Covered Payroll	UAAL as a Percentage of Payroll
2015	$ 99,305,000	—	99,305,000	—	$ 70,635,000	140.589 %
2013	48,999,000	—	48,999,000	—	77,686,000	63.073
2011	52,688,000	—	52,688,000	—	71,261,000	73.937

The cost shown was developed using two different funding methods: 1) the Aggregate cost method and 2) the Entry Age Normal (EAN) method. The difference in the cost methods is the period over which past service liabilities are spread. The aggregate method spreads unfunded past service liabilities over the future working lifetimes of active participants while the entry age normal method spreads unfunded past service liabilities over the specified amortization period. The amortization of the unfunded AAL is shown for a closed period of 30 years and is based on a level percentage of future payroll amounts.

The discount rate assumed for this UAAL is 5.00% where the assumption is that benefits will be paid from general City assets, or paid from a separate trust where assets are invested relatively conservatively. The annual rate at which total payroll is expected to increase is 3.25%. This is used in the cost method in order to calculate the ARC as a level percentage of payroll. Only current active and retired participants are valued. Current and future retirees are assumed to continue in their current plans. Actual spouse information is used. Where spouse date of birth is unavailable, males are assumed to be three years older than their female spouses.

The inflation rate assumed for health care costs in 2015 is 7%. The average inflation rate for the next 5 years is 6%. There were no assumptions with respect to post retirement benefit increases as current and future retirees are assumed to continue in their current plans. Salary costs or increases are not relevant to the determination of the level of benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Since actuarial calculations reflect a long term perspective, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

The City currently provides these benefits to an average of 360 participants for the year ended June 30, 2015. Additionally, for those retirees and their covered family members who no longer qualify for the benefits detailed above, but who choose to maintain coverage, the City contributed $119 per month from July 1, 2014 through December 31, 2014. From January 1, 2015 through June 30, 2015 the City contributed $122. The City currently provides this benefit to 124 participants at a cost of $171,393 for the year ended June 30, 2015. Since the City administers the OPEB plan by paying a portion of the benefits, a stand-alone financial report of the OPEB plan is not produced and all relevant disclosures are included in this section.

B. Defined Contribution Plan

In addition to the defined benefit plan described in section A above, on January 1, 2010, the City has implemented a defined contribution plan which provides postretirement health care benefits in accordance with employees' respective compensation plans.

The provisions of the defined contribution plans are negotiated with formally recognized bargaining units and groups not formally recognized and are adopted by City Council action. Contribution provisions are stated in the bargaining unit Memorandums of Understanding (MOUs) and may be amended during negotiations, subject to City Council approval.

There is no contribution rate for plan members. Employees hired by the City into the unit on or after January 1, 2010 who retire from the City will receive the PERS statutory minimum paid by the City. In addition, for employees hired into the unit as new employees of the City on or after January 1, 2010, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute to a retirement account on behalf of such employees the sum of the following amounts as stipulated in the compensation plans:

- Technical Service employees: $150 per month
- Police Officers: $275 per month
- Firemen: $275 per month
- Safety Support Association employees: $250 per month
- Executive employees $1,375 per month
- Management and Professional employees: $300 per month
- Confidential employees: $150 per month
- Supervisors: $150 per month

For employees hired after January 1, 2010, the City has contributed a total of $405,362 as of the fiscal year ended June 30, 2015.

(12) COMMITMENTS AND CONTINGENCIES

A. Litigation and Claims

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the results of these lawsuits will not have a material adverse effect on the financial condition of the City.

B. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. The grantor agencies may subject grant programs to compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

C. Construction Commitments

The City has a number of construction programs currently underway. The more significant of these programs and the commitment under related construction contracts at June 30, 2015 is as follows (note that this does not represent the expected total remaining cost of these programs):

CAPITAL PROJECT	Construction in Progress thru June 30, 2015	Future Budgeted
PW Facilities Upgrade	$ 223,034	—
Traffic Lights Installed	46,443	2,062,500
Reservoir Maint. & Repair	725,572	2,526,400
Water Mains Replacement	4,593,527	2,706,900
Replacement of Sewer	537,245	10,541,700
Client Server/Computer Acquisition	1,517,022	45,700
Hyperion Capital Component	1,701,292	1,665,000
Street Resurfacing	2,046,057	4,531,700
Elevator Replacement Upgrades	1,980,848	374,700
	$ 13,371,040	24,454,600

D. Future Minimum Operating Lease Revenues/Expenses

The City is lessor under a variety of property operating leases (primarily retail sites in parking structures and buildings in the industrial sector) and lessee in a variety of equipment operating leases. In addition, the City uses educational and recreational facilities, provided by the Beverly Hills Unified School District, in carrying out its programs for the benefit of its residents. The City, through a JPA with the District, leases the facilities for the annual sum of $9,825,000, per the terms of the agreement signed January 10, 2012. The agreement is effective through FY2015/16.

Operating Leases as Lessor

Future minimum lease payments receivable under property leases at June 30, 2015 are as follows:

Fiscal Year Ending June 30	Governmental	Business-type
2016	$ 5,463,013	12,171,106
2017	5,412,785	11,552,998
2018	5,448,801	10,035,634
2019	5,476,961	9,757,229
2020	5,495,290	9,754,290
2021-2025	8,655,881	17,649,092
2026-2030	50,520	3,846,755
2031-2035	50,520	3,952,292
2036-2040	50,520	97,298
2041-2045	50,520	—
	$ 36,154,811	78,816,694

As of June 30, 2015, leased assets had historic costs of approximately $77,686,000 and accumulated depreciation of approximately $14,507,000.

Operating Leases as Lessee

For the City's use and the District's provision of the facilities and programs, the City agrees to pay $9,700,000 in four payments made at the beginning of each quarter throughout the year. Additionally, the City shall make one annual payment to the District of up to $125,000 for the sole and exclusive purpose of funding crossing guard services at each of the four elementary schools.

In reflecting the City's commitment to energy conservation, during FY2010-2011, the City entered into an agreement with Sun Light and Power Company to design and install a photovoltaic energy system onto three City buildings. The City has engaged Sun Light and Power with these services under a solar equipment lease with City National Bank requiring monthly interest-only payments at an interest rate at Prime of 3.25%. As of June 30, 2011 the equipment was valued at $1,670,291. The equipment acquisition and installation was completed during FY2011/12 and as of June 30, 2012 the equipment was valued at $2,282,876. During fiscal year 2011-2012, the short term financing provided by City National Bank did convert into a long term note on December 31, 2011 with the following terms:

- Lease commencement: January 1, 2012
- Lease term: 96 months
- Monthly rent: 48 months at $12,739.50 followed by 48 months at $15,570.50
- Interest rate: Prime of 3.25%

(12) COMMITMENTS AND CONTINGENCIES, CONTINUED

- Purchase option at 60 months or 96 months for a purchase price equal to the Termination Value, or on the last day of the lease term for the greater of 40% of the original Total Cost of the Equipment or the Equipment's then fair market value.

As of June 30, 2011, the City recognized a liability for the equipment as a capital lease; however, during FY2011/12, when the conversion into a long term note occurred, this lease no longer satisfied the capital lease criteria and is now being accounted for as an operating lease.

Future minimum lease payments payable for equipment and property leases at June 30, 2015 are as follows:

Fiscal Year Ending June 30	Governmental	Business-type
2016	$ 10,360,229	—
2017	552,215	—
2018	552,215	—
2019	552,215	—
2020	428,344	—
2021	—	—
	$ 12,445,218	—

E. Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year end are completed. Encumbrances outstanding at year end do not constitute expenditures or liabilities.

The City's annual operating and capital budgets are formally adopted by resolution of the City Council, the City's highest level of decision making authority. Since encumbrances are utilized as a tool for effective budgetary control and accountability, the decision making authority to revoke an encumbrance has not been delegated. For this reason, encumbrances outstanding at year end have been classified into the "Committed Fund Balance" classification. For a listing of encumbrances by fund type and activity for the governmental funds, please see the Committed fund balance section of the table in Note 14.

(13) SEPARATION OF THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS

A. Background

On September 30, 2011, certain City parking assets were transferred from the City to The Parking Authority, pursuant to a Purchase and Sale Agreement dated August 16, 2011. This transfer of assets was done to allow the City to consolidate its parking operations under the control and oversight of The Parking Authority. The City retained control of two facilities, 9333 West Third Street and 450 N. Rexford Drive, which provide visitor and employee parking for the office building at 331 Foothill Road, the City Public Works facility, City Hall, and the Civic Center complex.

On December 19, 2011, the City Council and The Parking Authority entered into a property management agreement for the management of The Parking Authority's facilities. On July 1 of each year the agreement shall automatically renew for a period of one year unless either party gives written notice to the other on or before June 1 of any year that it has elected not to renew the agreement.

B. Net Investment in Capital Assets

I. City Parking Enterprise Fund

Transfer of Assets to Parking Authority

As noted in Section A above, the City's Parking Enterprise Fund transferred the majority of its assets, including its parking facilities, to The Parking Authority. Although fixed assets were transferred to The Parking Authority, the related debt which was issued to construct those assets was not transferred. The related debt used to construct those assets continues to be collateralized by the City, and the issuance of said debt continues to be tied to City's credit worthiness for repayment. Therefore, they are the obligations of the City and have not been transferred to The Parking Authority. This set of circumstances was also used as criteria in the qualification of The Parking Authority to be recognized as a blended component unit of the City. Please see Note 1 on pages 44-45 for more details.

Impact

The impact of this transfer of assets from the City's Parking Enterprise Fund to The Parking Authority has resulted in the assets of the Parking Enterprise fund to be less than its liabilities, thus a net position deficit has been reported. The net position deficit of the Parking Enterprise fund at June 30, 2015 is $16,775,980.

(13) SEPARATION OF THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS, CONTINUED

The line item Net Investment in Capital Assets within the Net Position section of the Statement of Net Position has also resulted in a negative amount. As noted in Section A of this footnote, the only parking facilities which remained with the City were 9333 West Third Street and 450 N. Rexford Drive. The negative number within this line item results from the historical value of these facilities, net of accumulated depreciation, having a value which is less than the debt related to these facilities and the facilities transferred to The Parking Authority. The value of Net Investment in Capital Assets for the Parking Enterprise fund as of June 30, 2015 is negative $26,793,390.

II. Parking Authority

Background

As stated in Note 1, Summary of Significant Accounting Policies on page 50, "In the government-wide financial statements and proprietary fund financial statements, net position is displayed in three components: net investment in capital assets, restricted net position and unrestricted net position."

The Governmental Accounting Standards Board Statement Number 34 (GASB 34) paragraph 33 defines the line item of "Net Investment in Capital Assets" as, "This component of net position consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets."

The Parking Authority Advances From Other Funds

Prior to The Parking Authority separation, the City's Parking Enterprise fund (of the Business-type activities) had entered into long-term borrowing arrangements with the General Fund, the Parks and Recreation Facilities Special Revenue Fund, as well as the Capital

Assets Internal Service Fund in order to finance construction of the parking lots at "Beverly Canon" (438 N Beverly Dr/439 N Canon Dr.), and at the "Public Gardens Parking Facility" (242 N Beverly Dr/241 N Canon Dr.). Between these different funds, these types of borrowings are referred to as "Advances to/from other funds".

Management's decision for the Parking Enterprise Fund to finance construction of these parking lots via advances from other funds was based on the benefit that those funds would receive by investing their idle cash into the City's parking structures which included retail space. The terms of the advances are stated on page 60 in Note 5. The terms of the borrowings are comparable to terms the City is restricted to when seeking external sources of financing. However, as a result of The Parking Authority's separation from the City's Parking Enterprise fund, these liabilities were transferred to The Parking Authority. From a legal standpoint, The Parking Authority is a legally separate entity from the City. However, the Governmental Accounting Standards Board (GASB)'s criteria for the qualification of a blended component unit, treats The Parking Authority as a component of the City, and therefore requires The Parking Authority to be treated as another fund of the City. This treatment results in the classification of these borrowings to remain as Advances From Other Funds. Although they are currently the liability of another legal entity (The Parking Authority), since that entity is a blended component unit, the classification of these borrowings may not be reclassified as Notes Payable. For further information about blended component units, please see Note 1 on pages 44-45.

These various borrowing arrangements, as well as their respective repayment schedules were approved by the City Council via budget resolutions restricting portions of the Parking Enterprise's fund balance solely for repayment of these advances. A listing of the balances of these advances (which have been transferred to The Parking Authority) at June 30, 2015 is shown in Note 5 on page 60. These advances to the Parking Enterprise fund are what financed the construction of the aforementioned parking lots, and since The Parking Authority is now obligated to and has arranged to repay these borrowings, these advances constitute debt within this fund. In total, as of June 30, 2015, The Parking Authority has $46,249,549 outstanding in Advances from other funds.

(14) FUND BALANCE

In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, the fund balance section of the balance sheets of the governmental funds has been modified. The change has been made in order for the City's new fund balance components to focus on "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent" (GASB Statement No. 54, paragraph 54). Previously, the fund balance section focused on whether these resources were available for appropriation. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include

(14) FUND BALANCE, CONTINUED

the following line items: a) the nonspendable fund balance, b) restricted fund balance, c) committed fund balance, d) assigned fund balance and e) unassigned fund balance. The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

For further explanation of each fund balance component, please see the following.

a) **Nonspendable fund balance** (inherently nonspendable) include the:
- Portion of net resources that cannot be spent because of their form, and
- Portion of net resources that cannot be spent because they must be maintained intact

b) **Restricted fund balance** (externally enforceable limitations on use) include amounts subject to:
- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other government
- Limitations imposed by law through constitutional provision or enabling legislation

c) **Committed fund balance** (self-imposed limitation set in place prior to the end of the period):
- Limitation imposed by the City Council as the highest level of decision making through adoption of an ordinance. These commitments may be changed or lifted, but only by the same formal action that was used to impose the constraint originally.
- Resources accumulated pursuant to stabilization arrangements would fit in this category only if the arrangement is specific regarding the circumstances when spending would be permitted, and those circumstances would need to be of a non-routine nature.

d) **Assigned fund balance** (limitation resulting from intended use) consists of amounts where the: Intended use is established by the body designated for that purpose (City Council),
- Intended use is established by official designated for that purpose. For the City, the City Manager is the designated official

e) **Unassigned fund balance** (residual net resources) is the:
- Total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance
- Excess of nonspendable, restricted, and committed fund balance over total fund balance

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the City will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the City will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

	General Fund	Infrastructure Capital Projects Fund	Other Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Long-term receivables (Notes Receivable)	$ 3,610,939	-	-	3,610,939
Long-term advance to other funds	11,955,964	-	-	11,955,964
Permanent fund principal	-	-	81,381	81,381
Total Nonspendable:	15,566,903	-	81,381	15,648,284
Restricted for:				
Debt covenants	-	40,057,473	2,359,752	42,417,225
Streets and highways	-	-	2,641,244	2,641,244
Air quality	-	-	415,329	415,329
Seized and forfeited property	-	-	6,437,980	6,437,980
Transit	-	-	6,693,390	6,693,390
Community Charitable Foundation	-	-	421,480	421,480
Other purposes	-	-	891,264	891,264
Total Restricted for:	-	40,057,473	19,860,439	59,917,912
Committed to:				
Police services	131,772	-	-	131,772
Community services	2,244	-	-	2,244
Community development	459,285	-	-	459,285
Parking	-	-	8,486,633	8,486,633
Recreation and parks	-	-	16,971,162	16,971,162
Fine arts	-	-	2,819,102	2,819,102
Technology fees	3,193,752	-	-	3,193,752
Non departmental	597,396	-	21,201	618,597
Total Committed to:	4,384,449	-	28,298,098	32,682,547
Assigned to:				
Non-departmental	5,000,000	-	-	5,000,000
Total Assigned to:	5,000,000	-	-	5,000,000
Unassigned (deficit):	124,429,495	-	(143,396)	124,286,099
Total fund balances	$ 149,380,847	40,057,473	48,096,522	237,534,842

(15) DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No.63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No.65, "Items Previously Reported as Assets and Liabilities," the City recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City has two items that are reportable on the Government-wide Statement of Net Position: the first item relates to outflows from changes in the net pension liability and the second item relates to benefit payments that have met all requirements other than timing, the inflow of resources related to the benefit payments are reported as Advances from Grantors and Third Parties. Deferred outflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred outflows of resources balances for the year ended June 30, 2015 were as follows:

Governmental Deferred Outflows		
Governmental Activities		
Deferred outflows of resources-contributions	$	15,827,148
Deferred amount on refunding, net		2,651,877
Total Governmental Activities		18,479,025
Business-type Activities		
Deferred outflows of resources-contributions		1,260,241
Deferred amount on refunding, net		2,599,426
Total Business-type Activites		3,859,667
Total Governmentwide Deferred Outflows	$	22,338,692

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the City recognized deferred inflows of resources in the governmentwide, governmental fund, and proprietary fund statements. These items are an acquisition of net pension by the City that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City has two items that are reportable on the Governmentwide Statement of Net Position: inflows from changes in the net pension liability and sale-leaseback transactions. Deferred inflows of resources that are reported in the proprietary funds are included in the Governmentwide Statement of Net Position.

Under the modified accrual basis of accounting, it is not enough that revenue is earned; it must also be available to finance expenditures of the current period. Governmental funds will therefore include additional deferred inflows of resources for amounts that have been earned but are not available to finance expenditures in the current period. Deferred inflows related to unavailable revenues totaled $4,500,828 at June 30, 2015.

Deferred inflows of resources balances for the year ended June 30, 2015 were as follows:

Governmental Deferred Inflows		
Governmental Activities		
Deferred inflows of resources - actuarial	$	35,082,398
Total Governmental Activities		35,082,398
Business-type Activities		
Deferred inflows of resources-actuarial		2,855,682
Deferred credit from sale-leaseback transactions		893,437
Total Business-type Activites		3,749,119
Total Governmentwide Deferred Inflows	$	38,831,517

(16) PENSION PLANS

A. General Information about the Pension plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City of Beverly Hills separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by the State statute and City of Beverly Hills resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

(16) PENSION PLANS, CONTINUED

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	17.598%	17.598%

	Safety	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9%	12%
Required employer contribution rates	37.23%	37.23%

Employees covered – as of June 30, 2013, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	529	320
Inactive employees entitled to but not yet receiving benefits	481	29
Active employees	590	186
Total	1,600	535

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an accrual basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Beverly Hills is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City of Beverly Hills net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.5%	7.5%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	(3)	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The probabilities of mortality are derived using CALPERS' membership data for all funds. The mortality table used was developed based on CALPERS' specific data. The table includes 20 years of mortality improvement using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in June 30, 2013 were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details for the Experience Study can be found on the CalPERS website.

(16) PENSION PLANS, CONTINUED

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from CalPERS website.

According to paragraph 30 of a Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of a administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time a change in methodology occurs.

The long-term expected rate of return on pension plan investments was determined using a building –block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building–block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long –term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total:	100.00%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follow:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014[1]	$ 303,968,311	$ 213,893,278	$ 90,075,033
Changes in the year:			
Service cost	6,921,261		6,921,261
Interest on the total pension liability	22,565,116		22,565,116
Differences between actual and expected experience	-		-
Changes in assumptions	-		-
Changes in benefit terms	-		-
Contribution - employer		9,059,681	(9,059,681)
Contribution - employee (paid by employer)			
Contribution - employeee		3,396,516	(3,396,516)
Net investment income[2]		37,166,722	(37,166,722)
Benefit payments, including refunds of employee contributions	(13,121,431)	(13,121,431)	-
Net changes	$ **16,364,946**	$ **36,501,488**	$ **(20,136,542)**
Balance at June 30, 2015	$ **320,333,257**	$ **250,394,766**	$ **69,938,491**

1. The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense.
2. Net of administrative expenses.

(16) PENSION PLANS, CONTINUED

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014[1]	$ 400,865,271	$ 266,758,140	$ 134,107,131
Changes in the year:			
Service cost	7,430,846		7,430,846
Interest on the total pension liability	29,563,684		29,563,684
Differences between actual and expected experience	-		-
Changes in assumptions	-		-
Changes in benefit terms	-		-
Contribution - employer		8,602,358	(8,602,358)
Contribution - employee (paid by employer)			
Contribution - employeee		2,382,927	(2,382,927)
Net investment income[2]		45,809,354	(45,809,354)
Benefit payments, including refunds of employee contributions	(20,796,479)	(20,796,479)	-
Net changes	$ **16,198,051**	$ **35,998,160**	$ **(19,800,109)**
Balance at June 30, 2015	$ **417,063,322**	$ **302,756,300**	$ **114,307,022**

1. The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense.
2. Net of administrative expenses.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City of Beverly Hills for each plan, calculated using the discount rate for each Plan, as well as what the City of Beverly Hills's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher that the current rate:

	Miscellaneous	Safety
1% Decrease	6.50%	6.50%
Net Pension Liability	$ 111,397,429	$ 167,961,463
Current Discount Rate	7.50%	7.50%
Net Pension Liability	$ 69,938,491	$ 114,307,022
1% Increase	8.50%	8.50%
Net Pension Liability	$ 35,414,874	$ 69,945,321

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the measurement period ended June 30, 2015 (the measurement date), the City of Beverly Hills incurred a pension expense of $15,663,469. At June 30, 2015, the City of Beverly Hills reported deferred outflows of resources and deferred inflows of resources related to pensions from following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 17,087,389	$ -
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(37,938,080)
Total	$ 17,087,389	$ (37,938,080)

$17,087,389 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future as pension expense as follows:

Measurement Period Ended June 30:	**Deferred Outflows/(Inflows) of Resources**
2015	$ (9,484,520)
2016	(9,484,520)
2017	(9,484,520)
2018	(9,484,520)
2019	-
Thereafter	-

E. Payable to the Pension Plan

The City of Beverly Hills had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

(17) SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 29, 2015, the date the financial statements were available to be issued.

CITY OF BEVERLY HILLS, CALIFORNIA

Required Supplementary Information

For the year ended June 30, 2015

Schedule of Changes in Net Position Liability and Related Ratios
During the Measurement Period
Last ten fiscal years[1]

Measurement Period	2013-14	
	Miscellaneous plan	Safety plan
TOTAL PENSION LIABILITY		
Service Cost	$ 6,921,261	$ 7,430,846
Interest	22,565,116	29,563,684
Changes of Benefit Terms	0	0
Difference Between Expected and Actual Experience	0	0
Changes in Assumptions	0	0
Benefit Payments, including Refunds of Employee Contributions	(13,121,431)	(20,796,479)
Net Change in Total Pension Liability	**16,364,946**	**16,198,051**
Total Pension Liability - Beginning	**303,968,311**	**400,865,271**
Total Pension Liability - Ending (a)	**$ 320,333,257**	**$ 417,063,322**
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$ 9,059,681	$ 8,602,358
Contributions - Employee	3,396,516	2,382,927
Net Investment Income[2]	37,166,722	45,809,354
Benefit Payments, including Refunds of Employee Contributions	(13,121,431)	(20,796,479)
Other Changes in Fiduciary Net Position	0	0
Net Change in Fiduciary Net Position	**36,501,488**	**35,998,160**
Plan Fiduciary Net Position - Beginning	**213,893,278**	**266,758,140**
Plan Fiduciary Net Position - Ending (b)	**$ 250,394,766**	**$ 302,756,300**
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	**69,938,491**	**114,307,022**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**78.17%**	**72.59%**
Covered-Employee Payroll	**$ 41,254,461**	**$ 25,556,628**
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	**169.53%**	**447.27%**

1. Historical information is required only for measurment periods for which GASB 68 is applicable

2. Net of administrative expenses.

CITY OF BEVERLY HILLS
SCHEDULE OF CONTRIBUTIONS - CALPERS PLAN
Last Ten Fiscal Years[1]

		2015
Actuarially determined contribution	$	17,087,389
Contributions in relation to the actuarially determined contributions		17,087,389
Contribution deficiency (excess)	$	-
Covered - employee payroll	$	72,808,986
Contributions as a percentage of covered - employee payroll		23.47%

Notes to Schedule:

Valuation Date	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:	
Single and agent employers	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	30 year fixed with 5 year ramp up at beginning and 5 year ramp down at the end of the amortization period. Changes in liability for plan amendments, changes in actuarial methodology and assumptions are amortized over a 20 year period.
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service and type of employment
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	2.5%@55 and 2%@62 for Miscellaneous and 3%@50 and 2.7%@57 for Safety
Mortality	Morality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

1 - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN

The schedule of funding progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability (UAAL) to payroll for the City's OPEB plans.

Schedule of Funding Progress - Other Post Employment Benefits

Valuation Date (June 30)	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets) (UAAL)	Funded Status	Annual Covered Payroll	UAAL as a Percentage of Payroll
2015	$ 99,305,000	—	99,305,000	—	$ 70,635,000	140.589 %
2013	48,999,000	—	48,999,000	—	77,686,000	63.073
2011	52,688,000	—	52,688,000	—	71,261,000	73.937

ADDITIONAL FINANCIAL INFORMATION

This section of the CAFR provides information on each individual fund and component unit not already provided in the basic financial statements, as well as combining statements to support each column of the basic financial statements. This section includes the:

- Governmental Funds:
  - Combining Balance Sheet
  - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
  - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
- Internal Service Funds:
  - Combining Statement of Net Assets
  - Combining Statement of Revenues, Expenses and Changes in Net Assets
  - Combining Statement of Cash Flows
- Other Governmental Capital Assets:
  - Comparative Schedule by Source
  - Schedule by Function and Activity
  - Schedule of Changes by Function and Activity

GOVERNMENTAL FUNDS

This section of the CAFR provides information on each individual governmental fund, except for the General fund reported in the basic financial statements. This section includes the following capital projects, special revenue, debt service and permanent funds:

Capital Projects Fund

Infrastructure Capital Projects Fund

This fund accounts for the resources and expenditures related to infrastructure capital projects.

Special Revenue Funds

Streets and Highways State Gas Tax Special Revenue Fund

This fund accounts for gas tax revenues and their restricted assets as specified by the California Streets and Highways Code. The City uses these funds primarily for street resurfacing.

Bikeway Grant Special Revenue Fund

As authorized by Senate Bill 821 (1976), the fund accounts for expenditures for the development of bicycle and pedestrian facilities. Such expenditures are made from distributions from the Los Angeles County Local Transportation Fund. The City of Beverly Hills annual allocation is of an amount not to be cost effective for annual use on qualified projects. Annual allocations are accumulated over several years and are used when it becomes cost effective to do so. Funds are distributed to the City only after completion of the project. This process is the reason for the sporadic activity of this fund.

Community Development Block Grant Special Revenue Fund

Created by a reimbursable contract between the City and the County of Los Angeles under the provision of the Housing and Community Development Act, this fund accounts for certain expenditures to meet the housing and public service needs of the City's low- and moderate-income households.

In-Lieu Parking District Special Revenue Fund

Created by action of the City Council, this fund accounts for fees received in-lieu of providing certain parking areas within the district by certain commercial users. Such funds received are to be used exclusively for the purpose of acquiring, developing, operating and maintaining off-street parking facilities to serve the In-Lieu Parking District.

Parks and Recreation Facilities Special Revenue Fund

Created by Council action, this fund accounts for construction assessments to be used for acquisition and development of parks and recreation facilities as authorized by the State of California Quimby Act.

California State Senate Bill 1473

As authorized by Senate Bill 1473, this fund accounts for the fees collected for the development of green building standards. The City is required to collect a new building permit fee which is four dollars ($4) per one hundred thousand dollars ($100,000). The law also establishes a Building Standards Administration Special Revolving Fund and requires the City to collect a permit fee on residential and non residential building permit applications for deposit into the Fund.

Proposition A Local Transit Assistance Special Revenue Fund

The State electorate approved a one-half cent sales tax to be used for local transit purposes. This fund accounts for the receipt of this tax and its restricted uses. These monies presently are used to provide a "free ride" mini-bus service in the City's central business district, a senior citizen bus shuttle, and bus pass and taxi coupon programs for the elderly.

Proposition C Local Transit Assistance Special Revenue Fund

Similar to Proposition A (see above), this fund is also funded by a voter-approved one-half cent sales tax. Scope of use of funds is wider than Proposition A and includes, in addition to transit services, efforts to reduce traffic congestion, improve air quality, improve the condition of streets and freeways, and reduce foreign oil dependence.

Fine Art Special Revenue Fund

Created by action of the City Council, this fund accounts for payments received in-lieu of providing fine art ornamentation in the construction or reconstruction of commercial structures. The payments received are to be used solely for the acquisition, improvement and maintenance of fine art ornamentation in applicable structures as determined by the Fine Art Committee.

Seized and Forfeited Property Special Revenue Fund

In accordance with California's Assets/Forfeiture Law, this fund accounts for assets seized during illegal activities and forfeited to law enforcement agencies. Such forfeited funds are to be used to augment the budget of the Police Department and cannot supplant operational expenditures.

Air Quality Improvement Special Revenue Fund

Created by the State Assembly Bill 2766, this fund accounts for funds collected from motor vehicle registration fees to be used to improve air quality by reducing air pollution.

State Park Bond Grant Special Revenue Fund

Authorized by the California Wildlife, Central and Park Land Conservation Act of 1988 and the Community Parklands Act of 1986, this fund accounts for the acquisition and/or development, rehabilitation of lands and/or facilities for recreational and/or historical purposes within the City's jurisdiction. During periods between awards of grants, fund amounts and activities are de minimis.

Community Charitable Foundation

Created under the Nonprofit Benefit Corporation Law for public and charitable purposes to enhance the services and programs to the Beverly Hills community and its citizens, as well as augment the physical and cultural environment of the City of Beverly Hills.

Metropolitan Transportation Authority

The California State Assembly Bill 2321 approved a one-half cent sales tax to be used for public transportation purposes. This fund accounts for the receipt of this tax and its restricted uses.

Law Enforcement Grant Special Revenue Fund

This fund accounts for transactions authorized by the Federal Omnibus Fiscal Year 1996 Appropriations Act (Public Law 104-134) as the Local Law Enforcement Block Grant to reduce crime and improve public safety. With related objectives, this fund also accounts for the transactions of 1996-97 State budget package AB 3229 (Citizens Option for Public Safety or "COPS" Allocation).

Inmate Welfare Special Revenue Fund

The City of Beverly Hills Police Department maintains temporary jail facilities for which the State of California Board of Corrections sets minimum standards. One of these standards requires the City of Beverly Hills to separately account for certain funds derived from the incarcerated individuals and to use these funds for the benefit of the inmates. Effective July 1, 1997, the City initiated the required accounting by creating the inmate Welfare Fund.

Debt Service Fund

Infrastructure Debt Service Fund

This fund was established to account for the accumulation of resources for the payment of principal and interest of the 2007 Lease Revenue Bonds. During fiscal year 2012, the 2007 Lease Revenue Bonds and the 2007 Water Revenue Bonds were refunded through the issue of the 2012 Lease Revenue Bonds and the 2012 Water Revenue Bonds.

Permanent Funds

Buck

This fund was created to account for three endowments provided to the City by Mr. Charles Webber Buck. The earnings from the invested endowment principal are to be used for the purpose of the City library, City parks and the City's worthy and indigent individuals.

Burton Green

Created by Council resolution, this fund accounts for the interest from the endowment principal provided by the Burton E. Green Foundation. These earnings are to be used for scholarship awards.

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Balance Sheet

Other Governmental Funds

June 30, 2015

	Special Revenue Funds							
Assets	**Streets and Highways State Gas Tax**	**California State Senate Bill 1473**	**Community Development Block Grant**	**In-Lieu Parking District**	**Parks and Recreation Facilities**	**Metropolitan Transportation Authority**	**Prop. A Local Transit Assistance**	**Prop. C Local Transit Assistance**
Cash and investments	$ 2,682,694	545,485	—	8,480,604	10,511,895	1,995,629	1,815,967	3,229,031
Accounts receivable, net	—	—	—	16,646	—	—	—	—
Interest receivable	6,093	—	—	—	20,439	4,830	4,331	8,490
Interfund receivables	—	—	—	—	361,889	—	—	—
Intergovernmental receivables	—	—	102,588	—	—	—	20,305	—
Advance to other funds	—	—	—	—	6,190,063	—	—	—
Restricted assets:								
Cash and investments	—	—	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—	—	—
Total assets	$ 2,688,787	545,485	102,588	8,497,250	17,084,286	2,000,459	1,840,603	3,237,521
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	$ —	28,822	55,269	—	100,066	—	218,296	155,616
Contracts payable	43,659	—	—	—	—	—	—	—
Accrued payroll	—	—	—	—	—	—	—	—
Compensated absences	—	—	—	—	—	—	—	—
Interfund payables	—	—	88,127	—	—	—	—	—
Intergovernmental payables	—	1,272	—	—	—	—	—	—
Customer deposits	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Total liabilities	43,659	30,094	143,396	—	100,066	—	218,296	155,616
Deferred inflows of resources:								
Unavailable revenues	3,884	—	102,588	10,617	13,058	3,081	2,776	5,424
Total deferred inflows of resources	3,884	—	102,588	10,617	13,058	3,081	2,776	5,424
Fund balances (deficit):								
Nonspendable	—	—	—	—	—	—	—	—
Restricted	2,641,244	515,391	—	—	—	1,997,378	1,619,531	3,076,481
Committed	—	—	—	8,486,633	16,971,162	—	—	—
Unassigned	—	—	(143,396)	—	—	—	—	—
Total fund balances (deficit)	2,641,244	515,391	(143,396)	8,486,633	16,971,162	1,997,378	1,619,531	3,076,481
Total liabilities, deferred inflows or resources, and fund balances	$ 2,688,787	545,485	102,588	8,497,250	17,084,286	2,000,459	1,840,603	3,237,521

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Balance Sheet, Continued

Other Governmental Funds

June 30, 2015

	Special Revenue Funds							
Assets	**Fine Art**	**Seized and Forfeited Property**	**Air Quality Improvement**	**CAL SB 1186**	**Community Charitable Foundation**	**Law Enforcement Grants**	**Inmate Welfare**	**Total**
Cash and investments	$ 3,359,153	6,666,669	414,943	34,486	419,582	149,102	35,281	40,340,521
Accounts receivable, net	—	—	—	1,535	—	—	—	18,181
Interest receivable	8,107	—	1,072	—	1,898	298	89	55,647
Interfund receivables		—	—	—	—	—	—	361,889
Intergovernmental receivables	—	—	—	—	—	1,566	—	124,459
Advance to other funds	—	—	—	—	—	—	—	6,190,063
Restricted assets:								
Cash and investments	—	—	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—	—	—
Total assets	$ 3,367,260	6,666,669	416,015	36,021	421,480	150,966	35,370	47,090,760
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	$ 10,075	216,265	—	—	—	—		784,409
Contracts payable	—	8,776	—	—	—	—	—	52,435
Accrued payroll	—	3,648	—	—	—	4,447	—	8,095
Interfund payables	—	—	—	—	—	8,259	—	96,386
Intergovernmental payables	—	—	—	8,509	—	—	—	9,781
Customer deposits	532,917	—	—	—	—	—	—	532,917
Total liabilities	542,992	228,689	—	8,509	—	12,706	—	1,484,023
Deferred inflows of resources:								
Unavailable revenues	5,166	—	686	1,581	—	1,755	57	150,673
Total deferred inflows of resources	5,166	—	686	1,581	—	1,755	57	150,673
Fund balances (deficit):								
Nonspendable	—	—	—	—	—	—	—	—
Restricted	—	6,437,980	415,329	25,931	421,480	136,505	35,313	17,322,563
Committed	2,819,102	—	—	—	—	—	—	28,276,897
Unassigned	—	—	—	—	—	—	—	(143,396)
Total fund balances (deficit)	2,819,102	6,437,980	415,329	25,931	421,480	136,505	35,313	45,456,064
Total liabilities, deferred inflows or resources, and fund balances	$ 3,367,260	6,666,669	416,015	36,021	421,480	150,966	35,370	47,090,760

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Balance Sheet, Continued

Other Governmental Funds

June 30, 2015

	Debt Service Fund	Permanent Funds			
Assets	**Infra-structure**	**Buck**	**Burton Green**	**Total**	**Total Other Governmental Funds**
Cash and investments	$ 2,358,160	—	—	—	42,698,681
Accounts receivable, net	—	—	—	—	18,181
Interest receivable	4,583	—	—	—	60,230
Interfund receivables	—	—	—	—	361,889
Intergovernmental receivables	—	—	—	—	124,459
Advance to other funds	—	—	—	—	6,190,063
Restricted assets:					
Cash and investments	—	212,565	67,877	280,442	280,442
Interest receivable	—	555	177	732	732
Total assets	$ 2,362,743	213,120	68,054	281,174	49,734,677
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ —	—	—	—	784,409
Contracts payable	—	—	—	—	52,435
Accrued payroll	—	—	—	—	8,095
Interfund payables	—	—	—	—	96,386
Intergovernmental payables	—	—	—	—	9,781
Customer deposits	—	—	—	—	532,917
Total liabilities	—	—	—	—	1,484,023
Deferred inflows of resources:					
Unavailable revenues	2,991	355	113	468	154,132
Total deferred inflows of resources	2,991	355	113	468	154,132
Fund balances (deficit):					
Nonspendable	—	34,641	46,740	81,381	81,381
Restricted	2,359,752	178,124	—	178,124	19,860,439
Committed	—	—	21,201	21,201	28,298,098
Unassigned	—	—	—	—	(143,396)
Total fund balances (deficit)	2,359,752	212,765	67,941	280,706	48,096,522
Total liabilities, deferred inflows or resources, and fund balances	$ 2,362,743	213,120	68,054	281,174	49,734,677

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Streets and Highways State Gas Tax	California State Senate Bill 1473	Community Development Block Grant	In-Lieu Parking District	Parks and Recreation Facilities	Metropolitan Transportation Authority	Prop. A Local Transit Assistance	Prop. C Local Transit Assistance
Revenues:								
Taxes other than property	$ —	—	—	2,971,571	3,724,505	—	—	—
Intergovernmental	1,017,918	—	281,740	—	—	379,594	894,070	506,938
Charges for services	—	185,412	—	—	—	—	52,735	—
Use of money and property	25,530	—	—	71,104	355,685	20,450	19,401	39,458
Net change in fair value of investments	(4,671)	—	—	(16,906)	(16,353)	(4,550)	(2,240)	(6,911)
Miscellaneous	—	—	—	—	—	—	—	—
Total revenues	1,038,777	185,412	281,740	3,025,769	4,063,837	395,494	963,966	539,485
Expenditures:								
Current:								
Public safety	—	—	—	—	—	—	—	—
Public service	—	16,630	253,373	—	—	—	845,805	34,368
Culture and recreation	—	—	—	—	—	—	—	—
Debt service:								—
Interest	—	—	—	—	—	—	—	—
Payment to bond escrow agent	—	—	—	—	—	—	—	
Capital outlay	129,017	—	—	—	1,788,948	—	—	455,506
Total expenditures	129,017	16,630	253,373	—	1,788,948	—	845,805	489,874
Excess (deficiency) of revenues over expenditures	909,760	168,782	28,367	3,025,769	2,274,889	395,494	118,161	49,611
Other financing sources (uses):								
Transfers in	—	—	—	—	1,750,000	—	—	—
Transfers out	(6,000)	—	—	—	(200,000)	—	—	—
Total other financing sources (uses)	(6,000)	—	—	—	1,550,000	—	—	—
Net change in fund balances	903,760	168,782	28,367	3,025,769	3,824,889	395,494	118,161	49,611
Fund balance, as previously reported	1,737,484	346,609	(171,763)	5,460,864	13,146,273	1,601,884	1,501,370	3,026,870
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	1,737,484	346,609	(171,763)	5,460,864	13,146,273	1,601,884	1,501,370	3,026,870
Fund balances (deficit), June 30	$ 2,641,244	515,391	(143,396)	8,486,633	16,971,162	1,997,378	1,619,531	3,076,481

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Fine Art	Seized and Forfeited Property	Air Quality Improvement	CAL SB 1186	Community Charitable Foundation	Law Enforcement Grants	Inmate Welfare	Total
Revenues:								
Taxes other than property	$ 743,690	—	—	34,440	—	—	—	7,474,206
Intergovernmental	—	2,963,776	42,848	—	—	217,497	—	6,304,381
Charges for services	—	—	—	—	—	—	—	238,147
Use of money and property	34,822	—	4,899	—	5,261	(30)	4,079	580,659
Net change in fair value of investments	(6,461)	—	(691)	—	(2,690)	138	(75)	(61,410)
Miscellaneous	—	—	—	—	902,969	—	—	902,969
Total revenues	772,051	2,963,776	47,056	34,440	905,540	217,605	4,004	15,438,952
Expenditures:								
Current:								
Public safety	—	667,808	—	—	—	159,843	—	827,651
Public service	—	—	21,582	8,509	1,109	—	—	1,181,376
Culture and recreation	33,678	—	—	—	—	—	—	33,678
Debt service:								
Interest	—	—	—	—	—	—	—	—
Payment to bond escrow agent	—	—	—	—	—	—	—	—
Capital outlay	80,000	251,452	14,272	—	—	—	—	2,719,195
Total expenditures	113,678	919,260	35,854	8,509	1,109	159,843	—	4,761,900
Excess (deficiency) of revenues over expenditures	658,373	2,044,516	11,202	25,931	904,431	57,762	4,004	10,677,052
Other financing sources (uses):								
Transfers in	—	—	—	—	—	—	—	1,750,000
Transfers (out)	—	—	—	—	(618,345)	—	—	(824,345)
Total other financing sources (uses)	—	—	—	—	(618,345)	—	—	925,655
Net change in fund balances	658,373	2,044,516	11,202	25,931	286,086	57,762	4,004	11,602,707
Fund balance, as previously reported	2,160,729	4,393,464	404,127	—	—	78,743	31,309	33,717,963
Restatement	—	—	—	—	135,394	—	—	135,394
Fund balances (deficit), July 1	2,160,729	4,393,464	404,127	—	135,394	78,743	31,309	33,853,357
Fund balances (deficit), June 30	$ 2,819,102	6,437,980	415,329	25,931	421,480	136,505	35,313	45,456,064

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Debt Service Fund	Permanent Funds			
	Infra-structure	Buck	Burton Green	Total	Total Other Governmental Funds
Revenues:					
Taxes other than property	$ —	—	—	—	7,474,206
Intergovernmental	—	—	—	—	6,304,381
Charges for services	—	—	—	—	238,147
Use of money and property	23,831	2,167	691	2,858	607,348
Net change in fair value of investments	371	(411)	(130)	(541)	(61,580)
Miscellaneous	—	—	—	—	902,969
Total revenues	24,202	1,756	561	2,317	15,465,471
Expenditures:					
Current:					
Public safety	—	—	—	—	827,651
Public service	811	—	—	—	1,182,187
Culture and recreation	—	—	—	—	33,678
Debt service:					
Interest	1,305,011	—	—	—	1,305,011
Principal	63,977	—	—	—	63,977
Capital outlay	—	—	—	—	2,719,195
Total expenditures	1,369,799	—	—	—	6,131,699
Excess (deficiency) of revenues over expenditures	(1,345,597)	1,756	561	2,317	9,333,772
Other financing sources (uses):					
Transfers in	1,369,142	—	—	—	3,119,142
Transfers out	—	—	—	—	(824,345)
Total other financing sources (uses)	1,369,142	—	—	—	2,294,797
Net change in fund balances	23,545	1,756	561	2,317	11,628,569
Fund balance, as previously reported	2,336,207	211,009	67,380	278,389	36,332,560
Restatement	—	—	—	—	135,394
Fund balances (deficit), July 1	2,336,207	211,009	67,380	278,389	36,467,954
Fund balances (deficit), June 30	$ 2,359,752	212,765	67,941	280,706	48,096,522

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Streets and Highways State Gas Tax				California State Senate Bill 1473			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Intergovernmental	$ 927,284	927,284	1,017,918	90,634	—	—	—	—
Charges for services	—	—	—	—	106,531	106,531	185,412	78,881
Use of money and property	25,000	25,000	25,530	530	—	—	—	—
Net change in fair value of investments	—	—	(4,671)	(4,671)	—	—	—	—
Total revenues	952,284	952,284	1,038,777	86,493	106,531	106,531	185,412	78,881
Expenditures:								
Current:								
Public service	—	—	—	—	34,000	34,000	16,630	(17,370)
Capital outlay	844,304	2,396,996	129,017	(2,267,979)	—	—	—	—
Total expenditures	844,304	2,396,996	129,017	(2,267,979)	34,000	34,000	16,630	(17,370)
Excess (deficiency) of revenues over expenditures	107,980	(1,444,712)	909,760	2,354,472	72,531	72,531	168,782	96,251
Other financing sources (uses):								
Transfers out	(6,000)	(6,000)	(6,000)	—	—	—	—	—
Total other financing sources (uses)	(6,000)	(6,000)	(6,000)	—	—	—	—	—
Net change in fund balances	101,980	(1,450,712)	903,760	2,354,472	72,531	72,531	168,782	96,251
Fund balance, as previously reported	1,737,484	1,737,484	1,737,484	—	346,609	346,609	346,609	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	1,737,484	1,737,484	1,737,484	—	419,140	419,140	515,391	96,251
Fund balances (deficit), June 30	$ 1,839,464	286,772	2,641,244	2,354,472	491,671	491,671	684,173	192,502

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Community Development Block Grant				In-Lieu Parking District			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Taxes other than property	$ —	—	—	—	837,000	837,000	2,971,571	2,134,571
Intergovernmental	168,579	168,579	281,740	113,161	—	—	—	—
Use of money and property	—	—	—	—	60,000	60,000	71,104	11,104
Net change in fair value of investments	—	—	—	—	—	—	(16,906)	(16,906)
Total revenues	168,579	168,579	281,740	113,161	897,000	897,000	3,025,769	2,128,769
Expenditures:								
Current:								
Public service	168,579	261,634	253,373	(8,261)	—	—	—	—
Total expenditures	168,579	261,634	253,373	(8,261)	—	—	—	—
Excess (deficiency) of revenues over expenditures	—	(93,055)	28,367	121,422	897,000	897,000	3,025,769	2,128,769
Net change in fund balances	—	(93,055)	28,367	121,422	897,000	897,000	3,025,769	2,128,769
Fund balance, as previously reported	(171,763)	(171,763)	(171,763)	—	5,460,864	5,460,864	5,460,864	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	(171,763)	(171,763)	(171,763)	—	5,460,864	5,460,864	5,460,864	—
Fund balances (deficit), June 30	$ (171,763)	(171,763)	(171,763)	—	5,460,864	5,460,864	5,460,864	—

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Parks and Recreation Facilities				Metropolitan Transportation Authority			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Taxes other than property	$ 2,470,000	2,470,000	3,724,505	1,254,505	—	—	—	—
Intergovernmental	—	—	—	—	305,626	305,626	379,594	73,968
Use of money and property	491,873	491,873	355,685	(136,188)	6,000	6,000	20,450	14,450
Net change in fair value of investments	—	—	(16,353)	(16,353)	—	—	(4,550)	(4,550)
Miscellaneous	—	—	—	—	—	—	—	—
Total revenues	2,961,873	2,961,873	4,063,837	1,101,964	311,626	311,626	395,494	83,868
Expenditures:								
Capital outlay	4,025,345	7,490,430	1,788,948	(5,701,482)	900,000	1,775,000	—	(1,775,000)
Total expenditures	4,025,345	7,490,430	1,788,948	(5,701,482)	900,000	1,775,000	—	(1,775,000)
Excess (deficiency) of revenues over expenditures	(1,063,472)	(4,528,557)	2,274,889	6,803,446	(588,374)	(1,463,374)	395,494	1,858,868
Other financing sources (uses):								
Transfers in	—	1,750,000	1,750,000	—	—	—	—	—
Transfers out	(200,000)	(200,000)	(200,000)	—	—	—	—	—
Total other financing sources (uses)	(200,000)	1,550,000	1,550,000	—	—	—	—	—
Net change in fund balances	(1,263,472)	(2,978,557)	3,824,889	6,803,446	(588,374)	(1,463,374)	395,494	1,858,868
Fund balance, as previously reported	13,146,273	13,146,273	13,146,273	—	1,601,884	1,601,884	1,601,884	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	13,146,273	13,146,273	13,146,273	—	1,601,884	1,601,884	1,601,884	—
Fund balances (deficit), June 30	$ 11,882,801	10,167,716	16,971,162	6,803,446	1,013,510	138,510	1,997,378	1,858,868

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Proposition A Local Transit Assistance				Proposition C Local Transit Assistance			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Intergovernmental	$ 737,394	737,394	894,070	156,676	493,074	493,074	506,938	13,864
Charges for services	27,000	27,000	52,735	25,735	—	—	—	—
Use of money and property	50,000	50,000	19,401	(30,599)	33,532	33,532	39,458	5,926
Net change in fair value of investments	—	—	(2,240)	(2,240)	—	—	(6,911)	(6,911)
Total revenues	814,394	814,394	963,966	149,572	526,606	526,606	539,485	12,879
Expenditures:								
Current:								
Public service	746,144	1,094,135	845,805	(248,330)	439,061	520,733	34,368	(486,365)
Capital outlay	—	—	—	—	850,000	2,464,720	455,506	(2,009,214)
Total expenditures	746,144	1,094,135	845,805	(248,330)	1,289,061	2,985,453	489,874	(2,495,579)
Excess (deficiency) of revenues over expenditures	68,250	(279,741)	118,161	397,902	(762,455)	(2,458,847)	49,611	2,508,458
Net change in fund balances	68,250	(279,741)	118,161	397,902	(762,455)	(2,458,847)	49,611	2,508,458
Fund balance, as previously reported	1,501,370	1,501,370	1,501,370	—	3,026,870	3,026,870	3,026,870	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	1,501,370	1,501,370	1,501,370	—	3,026,870	3,026,870	3,026,870	—
Fund balances (deficit), June 30	$ 1,569,620	1,221,629	1,619,531	397,902	2,264,415	568,023	3,076,481	2,508,458

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Fine Art				Seized and Forfeited Property			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Taxes other than property	$ 285,000	285,000	743,690	458,690	—	—	—	—
Intergovernmental	—	—	—	—	—	100,000	2,963,776	2,863,776
Use of money and property	6,000	6,000	34,822	28,822	—	—	—	—
Net change in fair value of investments	3,000	3,000	(6,461)	(9,461)	—	—	—	—
Total revenues	294,000	294,000	772,051	478,051	—	100,000	2,963,776	2,863,776
Expenditures:								
Current:								
Public safety	—	—	—	—	1,008,650	2,672,839	667,808	(2,005,031)
Culture and recreation	39,255	84,255	33,678	(50,577)	—	—	—	—
Capital outlay	—	263,998	80,000	(183,998)	200,000	2,163,922	251,452	(1,912,470)
Total expenditures	39,255	348,253	113,678	(234,575)	1,208,650	4,836,761	919,260	(3,917,501)
Excess (deficiency) of revenues over expenditures	254,745	(54,253)	658,373	712,626	(1,208,650)	(4,736,761)	2,044,516	6,781,277
Net change in fund balances	254,745	(54,253)	658,373	712,626	(1,208,650)	(4,736,761)	2,044,516	6,781,277
Fund balance, as previously reported	2,160,729	2,160,729	2,160,729	—	4,393,464	4,393,464	4,393,464	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	2,160,729	2,160,729	2,160,729	—	4,393,464	4,393,464	4,393,464	—
Fund balances (deficit), June 30	$ 2,415,474	2,106,476	2,819,102	712,626	3,184,814	(343,297)	6,437,980	6,781,277

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Air Quality Improvement				CAL SB 1186			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Taxes other than property	$ —	—	—	—	8,800	8,800	34,440	25,640
Intergovernmental	40,000	40,000	42,848	2,848	—	—	—	—
Use of money and property	6,500	6,500	4,899	(1,601)	—	—	—	—
Net change in fair value of investments	—	—	(691)	(691)	—	—	—	—
Total revenues	46,500	46,500	47,056	556	8,800	8,800	34,440	25,640
Expenditures:								
Current:								
Public service	65,000	130,000	21,582	(108,418)	—	—	8,509	8,509
Capital outlay	100,000	220,000	14,272	(205,728)	—	—	—	—
Total expenditures	165,000	350,000	35,854	(314,146)	—	—	8,509	8,509
Excess (deficiency) of revenues over expenditures	(118,500)	(303,500)	11,202	314,702	8,800	8,800	25,931	17,131
Net change in fund balances	(118,500)	(303,500)	11,202	314,702	8,800	8,800	25,931	17,131
Fund balance, as previously reported	404,127	404,127	404,127	—	—	—	—	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	404,127	404,127	404,127	—	—	—	—	—
Fund balances (deficit), June 30	$ 285,627	100,627	415,329	314,702	8,800	8,800	25,931	17,131

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Community Charitable Foundation				Law Enforcement Grants			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Intergovernmental	$ —	—	—	—	100,000	112,399	217,497	105,098
Use of money and property	—	—	5,261	5,261	—	—	(30)	(30)
Net change in fair value of investments	—	—	(2,690)	(2,690)	—	—	138	138
Miscellaneous	200,000	200,000	902,969	702,969	—	—	—	—
Total revenues	200,000	200,000	905,540	705,540	100,000	112,399	217,605	105,206
Expenditures:								
Current:								
Public safety	—	—	—	—	96,234	159,843	159,843	—
Public service	—	—	1,109	1,109	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—
Total expenditures	—	—	1,109	1,109	96,234	159,843	159,843	—
Excess (deficiency) of revenues over expenditures	200,000	200,000	904,431	704,431	3,766	(47,444)	57,762	105,206
Other financing sources (uses):								
Transfers out	—	(518,345)	(618,345)	(100,000)	—	—	—	—
Total other financing sources (uses)	—	(518,345)	(618,345)	(100,000)	—	—	—	—
Net change in fund balances	200,000	(318,345)	286,086	604,431	3,766	(47,444)	57,762	105,206
Fund balance, as previously reported	—	—	—	—	78,743	78,743	78,743	—
Restatement	135,394	135,394	135,394	—	—	—	—	—
Fund balances (deficit), July 1	135,394	135,394	135,394	—	78,743	78,743	78,743	—
Fund balances (deficit), June 30	$ 335,394	(182,951)	421,480	604,431	82,509	31,299	136,505	105,206

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Special Revenue Funds							
	Inmate Welfare				Total			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Taxes other than property	$ —	—	—	—	3,600,800	3,600,800	7,474,206	3,873,406
Intergovernmental	—	—	—	—	2,771,957	2,884,356	6,304,381	3,420,025
Charges for services	—	—	—	—	133,531	133,531	238,147	104,616
Use of money and property	4,000	4,000	4,079	79	682,905	682,905	580,659	(102,246)
Net change in fair value of investments	—	—	(75)	(75)	3,000	3,000	(61,410)	(64,410)
Miscellaneous	—	—	—	—	200,000	200,000	902,969	702,969
Total revenues	4,000	4,000	4,004	4	7,392,193	7,504,592	15,438,952	7,934,360
Expenditures:								
Current:								
Public safety	—	5,000	—	(5,000)	1,104,884	2,837,682	827,651	(2,010,031)
Public service	—	—	—	—	1,452,783	2,040,502	1,181,376	(859,126)
Culture and recreation	—	—	—	—	39,255	84,255	33,678	(50,577)
Capital outlay	—	—	—	—	6,919,649	16,775,065	2,719,195	(14,055,870)
Total expenditures	—	5,000	—	(5,000)	9,516,571	21,737,504	4,761,900	(16,975,604)
Excess (deficiency) of revenues over expenditures	4,000	(1,000)	4,004	5,004	(2,124,378)	(14,232,913)	10,677,052	24,909,965
Other financing sources (uses):								
Transfers in	—	—	—	—	—	1,750,000	1,750,000	—
Transfers out	—	—	—	—	(206,000)	(724,345)	(824,345)	(100,000)
Total other financing sources (uses)	—	—	—	—	(206,000)	1,025,655	925,655	(100,000)
Net change in fund balances	4,000	(1,000)	4,004	5,004	(2,330,378)	(13,207,258)	11,602,707	24,809,965
Fund balance, as previously reported	31,309	31,309	31,309	—	33,717,963	33,717,963	33,717,963	—
Restatement	—	—	—	—	135,394	135,394	135,394	—
Fund balances (deficit), July 1	31,309	31,309	31,309	—	33,853,357	33,853,357	33,853,357	—
Fund balances (deficit), June 30	$ 35,309	30,309	35,313	5,004	31,522,979	20,646,099	45,456,064	24,809,965

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Debt Service Fund				Permanent Funds			
	Infrastructure				Buck			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Use of money and property	$ —	—	23,831	23,831	—	—	2,167	2,167
Net change in fair value of investments	—	—	371	371	—	—	(411)	(411)
Total revenues	—	—	24,202	24,202	—	—	1,756	1,756
Expenditures:								
Current:								
Public service	1,207	1,207	811	(396)	—	—	—	—
Debt service:								
Interest	1,305,164	1,305,164	1,305,011	(153)	—	—	—	—
Principal	63,977	63,977	63,977	—	—	—	—	—
Total expenditures	1,370,348	1,370,348	1,369,799	(549)	—	—	—	—
Excess (deficiency) of revenues over expenditures	(1,370,348)	(1,370,348)	(1,345,597)	24,751	—	—	1,756	1,756
Other financing sources (uses):								
Transfers in	1,369,142	1,369,142	1,369,142	—	—	—	—	—
Net change in fund balances	(1,206)	(1,206)	23,545	24,751	—	—	1,756	1,756
Fund balance, as previously reported	2,336,207	2,336,207	2,336,207	—	211,009	211,009	211,009	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	2,336,207	2,336,207	2,336,207	—	211,009	211,009	211,009	—
Fund balances (deficit), June 30	$ 2,335,001	2,335,001	2,359,752	24,751	211,009	211,009	212,765	1,756

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Permanent Funds							
	Burton Green				Total			
	Budgeted Amounts		Actual	Variance with Final Budget – Over	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)	Original	Final	Amounts	(Under)
Revenues:								
Use of money and property	$ —	—	691	691	—	—	2,858	2,858
Net change in fair value of investments	—	—	(130)	(130)	—	—	(541)	(541)
Total revenues	—	—	561	561	—	—	2,317	2,317
Expenditures:								
Excess (deficiency) of revenues over expenditures	—	—	561	561	—	—	2,317	2,317
Net change in fund balances	—	—	561	561	—	—	2,317	2,317
Fund balance, as previously reported	67,380	67,380	67,380	—	278,389	278,389	278,389	—
Restatement	—	—	—	—	—	—	—	—
Fund balances (deficit), July 1	67,380	67,380	67,380	—	278,389	278,389	278,389	—
Fund balances (deficit), June 30	$ 67,380	67,380	67,941	561	278,389	278,389	280,706	2,317

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Continued

Other Governmental Funds

For the year ended June 30, 2015

	Total Other Governmental Funds			
	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)
Revenues:				
Taxes other than property	$ 3,600,800	3,600,800	7,474,206	3,873,406
Intergovernmental	2,771,957	2,884,356	6,304,381	3,420,025
Charges for services	133,531	133,531	238,147	104,616
Use of money and property	682,905	682,905	607,348	(75,557)
Net change in fair value of investments	3,000	3,000	(61,580)	(64,580)
Miscellaneous	200,000	200,000	902,969	702,969
Total revenues	7,392,193	7,504,592	15,465,471	7,960,879
Expenditures:				
Current:				
Public safety	1,104,884	2,837,682	827,651	(2,010,031)
Public service	1,453,990	2,041,709	1,182,187	(859,522)
Culture and recreation	39,255	84,255	33,678	(50,577)
Debt service:				
Interest	1,305,164	1,305,164	1,305,011	(153)
Principal	63,977	63,977	63,977	—
Capital outlay	6,919,649	16,775,065	2,719,195	(14,055,870)
Total expenditures	10,886,919	23,107,852	6,131,699	(16,976,153)
Excess (deficiency) of revenues over expenditures	(3,494,726)	(15,603,261)	9,333,772	24,937,033
Other financing sources (uses):				
Transfers in	1,369,142	3,119,142	3,119,142	—
Transfers out	(206,000)	(724,345)	(824,345)	(100,000)
Total other financing sources (uses)	1,163,142	2,394,797	2,294,797	(100,000)
Net change in fund balances	(2,331,584)	(13,208,464)	11,628,569	24,837,033
Fund balance, as previously reported	36,332,560	36,332,560	36,332,560	—
Restatement	135,394	135,394	135,394	—
Fund balances (deficit), July 1	36,467,954	36,467,954	36,467,954	—
Fund balances (deficit), June 30	$ 34,136,370	23,259,490	48,096,522	24,837,033

CITY OF BEVERLY HILLS, CALIFORNIA

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Infrastructure Capital Projects Fund - Major Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget – Over
	Original	Final	Amounts	(Under)
Revenues:				
Intergovernmental	$ —	507,064	615,577	108,513
Use of money and property	220,000	220,000	111,713	(108,287)
Net change in fair value of investments	—	—	(48,951)	(48,951)
Miscellaneous	—	—	—	—
Total revenues	220,000	727,064	678,339	(48,725)
Expenditures:				
Capital outlay	7,553,754	44,599,637	3,788,230	(40,811,407)
Total expenditures	7,553,754	44,599,637	3,788,230	(40,811,407)
Deficiency of revenues over expenditures	(7,333,754)	(43,872,573)	(3,109,891)	40,762,682
Other financing sources:				
Transfers in	5,200,000	23,210,300	23,210,300	—
Total other financing sources	5,200,000	23,210,300	23,210,300	—
Net change in fund balance	(2,133,754)	(20,662,273)	20,100,409	40,762,682
Fund balance, July 1	19,957,064	19,957,064	19,957,064	—
Fund balance, June 30	$ 17,823,310	(705,209)	40,057,473	40,762,682

INTERNAL SERVICE FUNDS

This section of the CAFR provides information on each individual internal service fund. Internal service funds are used by the City to centralize certain services and then allocate the cost of those services to the user departments on a cost reimbursement basis. User fund charges from internal service funds with capital assets typically consist of two components: a maintenance/service component and a capital replacement component. User fund charges from self-insurance internal service funds generally are based on claims experience of the user department. This section includes the following internal service funds:

Information Technology Internal Service Fund

This fund was created to properly allocate computer services to user departments. User fund charges are based on an allocation formula derived from programming time and computer usage. Long-term liabilities, including interfund loans and revenue bonds, payable from user department charges, are issued from time to time to finance the acquisition and construction of information technology facilities and equipment.

Capital Assets and Vehicles Internal Service Funds

Activities pertaining to the acquisition, construction, financing, maintenance and operation of the City's capital assets (excluding enterprise fund assets, infrastructure assets and the City's fine art collection), as well as capital accumulation for the replacement and upgrade of those capital assets, is accounted for in these funds. Long-term liabilities, including interfund loans and revenue bonds, payable from user department charges, are issued from time to time to finance the acquisition and construction of the City's non-enterprise capital facilities, vehicles, and equipment.

Office and Operational Equipment Fund

This fund was created to finance and acquire city-wide office and operational equipment that will eventually be replaced in future years. User fund charges are based on future replacement costs.

Reprographics Internal Service Fund

Activities pertaining to in-house printing, metered postage and the issuance of office supplies to various departments are accounted for in this fund.

Cable Television Internal Service Fund

This fund accounts for the cost of cable television equipment, program development and other services, which are allocated to the user departments for television coverage of City Council meetings, board and commission meetings, special City events, and various other archival and promotional purposes.

Liability Insurance Internal Service Fund

The City is self-insured for the first $500,000 of each liability claim. This fund accounts for these self-insured claims and excess insurance premiums, and charges user departments based on claims experience. In addition to oversight by the City's Risk Manager, the City has contracted with an independent adjuster to monitor liability claims on an individual basis. Liability claims in excess of $1,000,000 up to $26,000,000 combined single limit occurrence are covered by excess insurance.

Workers' Compensation Internal Service Fund

The City is self-insured for all workers' compensation claims. This fund accounts for these self-insured claims and their charge to user departments. In addition to oversight by the City's Risk Manager, the City has contracted with an independent adjuster to monitor workers' compensation claims on an individual basis. Administration of this fund adheres to regulations imposed by the State of California concerning workers' compensation programs.

Unemployment Insurance Internal Service Fund

The City provides unemployment benefits to terminated employees through a reimbursable payment schedule with the State Employment Development Department. This fund accounts for such payments and is funded by charging the departments that employed the claimants for paid benefits.

Employee Benefits Internal Service Fund

This fund accounts for the estimated allocated departmental charges from which employee benefits (health, dental, life, vision and other insurance coverages) are made. The City is self-insured for dental claims; other coverages are through group plans. The long-term portion of governmental fund compensated absences liability is also accounted for in this fund. Net increases in this liability are charged to the user funds; decreases in the net liability are included in the reserve balance.

Policy, Administration, and Legal Internal Service Fund

This fund includes the departments of Policy and Management, Administrative Services, and Legal (City Attorney's Office). These departments provide services to all departments, similar to the other Internal Service Funds. In order to fully capture the cost for the newly implemented program budget, the cost of these services were incorporated into an Internal Service Fund and then spread to the various City departments.

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Net Position

Internal Service Funds

June 30, 2015

	Information Technology	Capital Assets	Vehicles	Office and Operational Equipment	Reprographics	Cable TV	Liability Insurance	Workers' Compensation	Unemployment Insurance	Employee Benefits	Policy, Administration, & Legal	Total
ASSETS												
Current assets:												
Cash and investments	$ 17,015,635	32,261,694	14,397,182	11,632,096	2,165,963	4,679,903	11,624,780	13,507,516	219,285	52,655,412	14,493,080	174,652,546
Accounts receivable, net	—	—	—	—	—	179,822	—	—	—	—	—	179,822
Interest receivable	43,241	79,267	39,666	29,880	5,522	11,650	30,371	35,882	522	133,976	34,828	444,805
Interfund receivable	—	880,788	566,771	—	—	—	—	—	—	—	—	1,447,559
Inventories	—	—	283,135	—	—	—	—	—	—	—	—	283,135
Prepaid expenses	24,446	45	—	—	14,604	—	269,858	—	—	—	8,682	317,635
Total current assets	17,083,322	33,221,794	15,286,754	11,661,976	2,186,089	4,871,375	11,925,009	13,543,398	219,807	52,789,388	14,536,590	177,325,502
Noncurrent assets:												
Restricted assets:												
Cash and investments	—	1,728,791	—	—	—	—	—	—	—	445,400	—	2,174,191
Total restricted assets	—	1,728,791	—	—	—	—	—	—	—	445,400	—	2,174,191
Advances to other funds	—	15,065,727	9,694,524	—	—	—	—	—	—	—	—	24,760,251
Net pension assets	—	—	—	—	—	—	—	—	—	—	—	—
Other post employment benefit asset	—	—	—	—	—	—	—	—	—	345,294	—	345,294
Total other noncurrent assets	—	15,065,727	9,694,524	—	—	—	—	—	—	345,294	—	25,105,545
Capital assets:												
Land	—	32,273,138	—	—	—	—	—	—	—	—	—	32,273,138
Buildings	3,723,031	232,971,868	—	—	—	—	—	—	—	—	—	236,694,899
Improvements other than buildings	4,731,529	55,971,446	—	—	—	—	—	—	—	—	—	60,702,975
Machinery and equipment	24,523,888	7,708,139	23,933,615	1,389,742	69,334	3,381,161	—	—	—	—	—	61,005,879
Infrastucture	464,150	—	—	—	—	—	421,381	—	—	—	—	885,531
	33,442,598	328,924,591	23,933,615	1,389,742	69,334	3,381,161	421,381	—	—	—	—	391,562,422
Less accumulated depreciation	(25,070,419)	(119,030,440)	(15,168,052)	(539,577)	(69,334)	(952,566)	(39,502)	—	—	—	—	(160,869,890)
Construction in progress	—	2,547,159	—	—	—	—	—	—	—	—	—	2,547,159
Total capital assets, net	8,372,179	212,441,310	8,765,563	850,165	—	2,428,595	381,879	—	—	—	—	233,239,691
Total noncurrent assets	8,372,179	229,235,828	18,460,087	850,165	—	2,428,595	381,879	—	—	790,694	—	260,519,427
Total assets	25,455,501	262,457,622	33,746,841	12,512,141	2,186,089	7,299,970	12,306,888	13,543,398	219,807	53,580,082	14,536,590	437,844,929
DEFERRED OUTFLOWS OF RESOURCES												
Deferred outflows of resources - contributions	324,134	243,135	171,484	—	127,614	79,376	25,259	25,259	—	—	1,828,227	2,824,488
Deferred amount on refunding, net	—	1,375,177	—	—	—	—	—	—	—	—	—	1,375,177
Total deferred outflows of resources	324,134	1,618,312	171,484	—	127,614	79,376	25,259	25,259	—	—	1,828,227	4,199,665

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Net Position, Continued

Internal Service Funds

June 30, 2015

	Information Technology	Capital Assets	Vehicles	Office and Operational Equipment	Reprographics	Cable TV	Liability Insurance	Workers' Compensation	Unemployment Insurance	Employee Benefits	Policy, Administration, & Legal	Total
LIABILTIES												
Current liabilities:												
Accounts payable	$ 875,892	1,290,633	106,852	146,298	32,790	1,266	734,970	141,364	23,175	—	855,063	4,208,303
Contracts payable	—	104,270	—	—	—	—	1,040	—	—	—	—	105,310
Accrued payroll	111,500	98,687	66,824	—	40,387	28,017	7,633	7,633	—	—	676,585	1,037,266
Interest payable	—	256,773	—	—	—	—	—	—	—	57,931	—	314,704
Current portion of:												
Compensated absences	—	—	—	—	—	—	—	—	—	1,059,958	—	1,059,958
Outstanding claims	—	—	—	—	—	—	1,086,005	2,217,860	—	—	—	3,303,865
Revenue bonds	—	8,077,324	—	—	—	—	—	—	—	1,673,684	—	9,751,008
Capital lease	—	89,618	—	—	—	—	—	—	—	—	—	89,618
Notes payable	—	1,762,520	—	—	—	—	—	—	—	—	—	1,762,520
Total current liabilities	987,392	11,679,825	173,676	146,298	73,177	29,283	1,829,648	2,366,857	23,175	2,791,573	1,531,648	21,632,552
Long-term liabilities (net of current portion):												
Compensated absences	—	—	—	—	—	—	—	—	—	14,530,105	—	14,530,105
Outstanding claims	—	—	—	—	—	—	2,963,984	7,482,814	—	—	—	10,446,798
Revenue bonds	—	59,737,246	—	—	—	—	—	—	—	11,870,176	—	71,607,422
Original issue premium, net	—	6,613,288	—	—	—	—	—	—	—	—	—	6,613,288
Net pension liability	3,025,893	2,269,742	1,600,856	—	1,191,317	741,001	235,803	235,804	—	—	17,067,097	26,367,513
Capital lease	—	256,401	—	—	—	—	—	—	—	—	—	256,401
Unearned revenue	—	36,414	—	—	—	—	—	—	—	—	—	36,414
Leased property deposits	—	336,736	—	—	—	—	—	—	—	—	—	336,736
Notes payable	—	23,451,526	—	—	—	—	—	—	—	—	—	23,451,526
Total long-term liabilities	3,025,893	92,701,353	1,600,856	—	1,191,317	741,001	3,199,787	7,718,618	—	26,400,281	17,067,097	153,646,203
Total liabilities	4,013,285	104,381,178	1,774,532	146,298	1,264,494	770,284	5,029,435	10,085,475	23,175	29,191,854	18,598,745	175,278,755
DEFERRED INFLOWS OF RESOURCES												
Deferred inflows of resources - actuarial	734,482	550,940	388,579	—	289,171	179,865	57,237	57,237	—	—	4,142,734	6,400,245
Total deferred inflows of resources	734,482	550,940	388,579	—	289,171	179,865	57,237	57,237	—	—	4,142,734	6,400,245
NET POSITION												
Net investment in capital assets	8,372,179	116,752,574	8,765,563	850,165	—	2,428,595	381,879	—	—	—	—	137,550,955
Restricted for:												
Debt service	—	1,728,791	—	—	—	—	—	—	—	445,400	—	2,174,191
Unrestricted	12,659,689	40,662,451	22,989,651	11,515,678	760,038	4,000,602	6,863,596	3,425,945	196,632	23,942,828	(6,376,662)	120,640,448
Total net position	$ 21,031,868	159,143,816	31,755,214	12,365,843	760,038	6,429,197	7,245,475	3,425,945	196,632	24,388,228	(6,376,662)	260,365,594

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2015

	Information Technology	Capital Assets	Vehicles	Office and Operational Equipment	Reprographics	Cable TV	Liability Insurance	Workers' Compensation	Unemployment Insurance	Employee Benefits	Policy, Administration, & Legal	Eliminations	Total
Operating revenues:													
Sales, service charges and fees	$ 11,451,708	29,366,290	7,503,115	1,553,687	2,508,473	1,952,063	6,075,618	2,951,380	115,258	9,148,969	32,975,908	(21,147,959)	84,454,510
Operating expenses:													
Salaries and employee benefits	2,374,559	2,016,896	1,380,466	—	923,661	641,026	162,100	162,100	103,587	7,234,989	13,343,921	(2,339,553)	26,003,752
Maintenance and operation	7,520,175	6,586,031	4,237,945	622,466	1,492,827	672,640	5,511,130	538,397	—	6,271	18,012,413	(18,808,406)	26,391,889
Insurance premiums, settlements and provisions	—	—	—	—	—	—	1,402,943	4,118,513	—	—	—	—	5,521,456
Depreciation	4,901,732	7,681,622	100,679	127,204	—	302,015	10,534	—	—	—	—	—	13,123,786
Amortization of bond premiums, discounts, and deferred amounts on refunding	—	904,175	—	—	—	—	—	—	—	—	—	—	904,175
Total operating expenses	14,796,466	17,188,724	5,719,090	749,670	2,416,488	1,615,681	7,086,707	4,819,010	103,587	7,241,260	31,356,334	(21,147,959)	71,945,058
Operating income (loss)	(3,344,758)	12,177,566	1,784,025	804,017	91,985	336,382	(1,011,089)	(1,867,630)	11,671	1,907,709	1,619,574	—	12,509,452
Nonoperating revenues (expenses):													
Investment revenue	191,450	970,977	587,020	132,392	24,232	51,187	137,694	161,352	2,338	648,624	156,452	—	3,063,718
Net change in fair value of investments	(32,802)	(78,640)	(33,825)	(23,044)	(4,095)	(10,696)	(16,005)	(24,803)	(424)	(111,498)	(30,655)	—	(366,487)
Interest expense		(4,759,404)	—	—	—	—	—	—	—	(695,178)	—	—	(5,454,582)
Intergovernmental revenue	159,546	—	—	—	—	—	—	—	—	65,221	—	—	224,767
Other revenue	—	93,772	148,894	—	—	—	—	—	—	—	99,543	—	342,209
Total nonoperating revenues (expenses)	318,194	(3,773,295)	702,089	109,348	20,137	40,491	121,689	136,549	1,914	(92,831)	225,340	—	(2,190,375)
Income (loss) before operating transfers	(3,026,564)	8,404,271	2,486,114	913,365	112,122	376,873	(889,400)	(1,731,081)	13,585	1,814,878	1,844,914	—	10,319,077
Transfers in	40,000	1,304,331		—	—	—	525,000	—	—	1,500,000	25,000		3,394,331
Transfers out	—	—	—	—	—	—	(200,000)	—	—	—	—	—	(200,000)
Change in net position	(2,986,564)	9,708,602	2,486,114	913,365	112,122	376,873	(564,400)	(1,731,081)	13,585	3,314,878	1,869,914	—	13,513,408
Net position, July 1, as previously reported	27,679,227	152,197,808	31,234,181	11,452,478	2,063,465	6,937,625	8,083,024	5,430,176	183,047	21,073,350	12,416,225	—	278,750,606
Change in accounting principle	(3,660,795)	(2,762,594)	(1,965,081)	—	(1,415,549)	(885,301)	(273,149)	(273,150)	—	—	(20,662,801)	—	(31,898,420)
Net position, July 1, as restated	24,018,432	149,435,214	29,269,100	11,452,478	647,916	6,052,324	7,809,875	5,157,026	183,047	21,073,350	(8,246,576)	—	246,852,186
Net position, June 30	$ 21,031,868	159,143,816	31,755,214	12,365,843	760,038	6,429,197	7,245,475	3,425,945	196,632	24,388,228	(6,376,662)	—	260,365,594

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Cash Flows

Internal Service Funds

For the year ended June 30, 2015

	Information Technology	Capital Assets	Vehicles	Office and Operational Equipment	Reprographics	Cable TV	Liability Insurance	Workers' Compensation	Unemployment Insurance	Employee Benefits	Policy, Administration, & Legal	Total
Cash flows from operating activities:												
Cash received for interfund services	$ 11,451,708	29,366,290	7,503,115	1,553,687	2,508,473	1,952,063	6,075,618	2,951,380	115,258	9,148,969	32,975,908	105,602,469
Cash payments to employees for services	(2,576,009)	(2,031,565)	(1,388,428)	—	(940,441)	(650,191)	(164,984)	(164,984)	(115,258)	(3,355,865)	(13,528,238)	(24,915,963)
Cash payments for goods and services	(7,449,327)	(6,441,752)	(4,325,592)	(583,610)	(1,487,977)	(845,298)	—	(3,195,625)	23,175	(6,489)	(17,769,978)	(42,082,473)
Cash payments for insurance premiums, settlements and claims	—	—	—	—	—	—	(7,123,959)	—	—	—	—	(7,123,959)
Net cash (used in) provided by operating activities	1,426,372	20,892,973	1,789,095	970,077	80,055	456,574	(1,213,325)	(409,229)	23,175	5,786,615	1,677,692	31,480,074
Cash flows from noncapital financing activities:												
Other revenue	—	93,772	148,894	—	—	—	—	—	—	—	99,543	342,209
Intergovernmental revenue	159,546	—	—	—	—	—	—	—	—	65,221	—	224,767
Cash received from other funds	40,000	1,304,331	—	—	—	—	525,000	—	—	1,500,000	25,000	3,394,331
Cash paid to other funds	—	—	—	—	—	—	(200,000)	—	—	—	—	(200,000)
Net cash provided by noncapital financing activities	199,546	1,398,103	148,894	—	—	—	325,000	—	—	1,565,221	124,543	3,761,307
Cash flows from capital financing activities:												
Proceeds from sale of property	—	—	148,894	—	—	—	—	—	—	—	—	148,894
Acquisition and construction of capital assets	(841,474)	(4,128,782)	(3,756,409)	(303,910)	—	—	—	—	—	—	—	(9,030,575)
Interest received (paid) on note receivable	—	302,323	—	—	—	—	—	—	—	—	—	302,323
Principal received (paid) on interfund advance	—	848,136	545,761	—	—	—	—	—	—	—	—	1,393,897
Interest received (paid) on interfund advance	—	—	410,072	—	—	—	—	—	—	—	—	410,072
Principal payments on debt	—	(7,869,503)	—	—	—	—	—	—	—	(1,628,070)	—	(9,497,573)
Interest payments on debt	—	(4,759,404)	—	—	—	—	—	—	—	(695,178)	—	(5,454,582)
Net cash (used in) provided by capital financing activities	(841,474)	(15,607,230)	(2,651,682)	(303,910)	—	—	—	—	—	(2,323,248)	—	(21,727,544)
Cash flows from investing activities:												
Earnings (loss) on investments	158,416	884,980	549,451	109,735	20,085	41,364	122,974	144,431	1,927	540,602	116,519	2,690,484
Net increase (decrease) in cash and cash equivalents	942,860	7,568,826	(164,242)	775,902	100,140	497,938	(765,351)	(264,798)	25,102	5,569,190	1,918,754	16,204,321
Cash and cash equivalents, July 1	16,072,775	26,421,659	14,561,424	10,856,194	2,065,824	4,181,965	12,390,131	13,772,314	194,183	47,531,622	12,574,326	160,622,417
Cash and cash equivalents, June 30	$ 17,015,635	33,990,485	14,397,182	11,632,096	2,165,964	4,679,903	11,624,780	13,507,516	219,285	53,100,812	14,493,080	176,826,738

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Combining Statement of Cash Flows, Continued

Internal Service Funds

For the year ended June 30, 2015

	Information Technology	Capital Assets	Vehicles	Office and Operational Equipment	Reprographics	Cable TV	Liability Insurance	Workers' Compensation	Unemployment Insurance	Employee Benefits	Policy, Administration, & Legal	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:												
Operating income (loss)	$ (3,344,758)	12,177,566	1,784,025	804,017	91,986	336,382	(1,011,089)	(1,867,630)	11,671	1,907,709	1,619,574	12,509,453
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:												
Depreciation	4,901,732	7,681,622	100,679	127,204	—	302,015	10,534	—	—	—	—	13,123,786
Amortization of bond premiums, discounts, and deferred amounts on refunding	—	904,175	—	—	—	—	—	—	—	—	—	904,175
Changes in assets and liabilities:												
(Increase) decrease in receivables	66,188	59,744	—	—	—	(179,822)	—	—	—	—	18,015	(35,875)
(Increase) decrease in inventories	—	—	45,186	—	—	—	—	—	—	—	—	45,186
(Increase) decrease in prepaid expenses	(24,446)	(45)	—	—	(471)	—	(269,858)	—	—	—	(8,682)	(303,502)
Increase (decrease) in accounts payable	(108,333)	99,618	(123,511)	38,856	12,667	7,164	233,581	32,597	—	(218)	343,444	535,865
Increase (decrease) in intergovernmental payable	(18,222)	(15,038)	(9,322)	—	(7,346)	—	(1,260)	(1,260)	—	—	(110,342)	(162,790)
Increase (decrease) in other post-employment benefit asset	—	—	—	—	—	—	—	—	—	1,518,513		1,518,513
Increase (decrease) in net pension liabilities	(871,210)	(689,914)	(460,914)	—	(343,001)	(213,347)	(67,891)	(67,892)	—	—	(4,913,922)	(7,628,091)
Increase (decrease) in deferred inflows	734,482	550,940	388,579	—	289,171	179,865	57,237	57,237	—	—	4,142,734	6,400,245
(Increase) decrease in deferred outflows	(87,826)	50,883	35,886	—	26,706	16,611	5,286	5,287	—	—	382,607	435,440
(Increase) decrease in interfund receivable	155,661	—	—	—	—	—	—	—	—	—	—	155,661
Increase (decrease) in accrued payroll	23,104	37,008	28,487	—	10,344	7,706	2,484	2,484	—	2,360,611	204,264	2,676,492
Increase (decrease) in unearned revenue	—	36,414	—	—	—	—	—	—	—	—	—	36,414
Increase (decrease) in outstanding claims	—	—	—	—	—	—	(172,349)	1,429,948	11,504	—	—	1,269,103
Total adjustments	4,771,130	8,715,407	5,070	166,060	(11,930)	120,192	(202,236)	1,458,401	11,504	3,878,906	58,118	18,970,622
Net cash (used in) provided by operating activities	$ 1,426,372	20,892,973	1,789,095	970,077	80,056	456,574	(1,213,325)	(409,229)	23,175	5,786,615	1,677,692	31,480,075
Cash and investments	$ 17,015,635	32,261,694	14,397,182	11,632,096	2,165,963	4,679,903	11,624,780	13,507,516	219,285	52,655,412	14,493,080	174,652,546
Restricted cash and investments	—	1,728,791	—	—	—	—	—	—	—	445,400	—	2,174,191
Total cash and cash equivalents	$ 17,015,635	33,990,485	14,397,182	11,632,096	2,165,963	4,679,903	11,624,780	13,507,516	219,285	53,100,812	14,493,080	176,826,737
Significant noncash investing and financing activity:												
– Amortization of bond premiums, discounts, and deferred amounts on refunding	$ —	904,175	—	—	—	—	—	—	—	—	—	904,175
– Value of capital asset under lease (note 8)	$ —	346,019	—	—	—	—	—	—	—	—	—	346,019
– Change in fair value of nonpooled investments	$ (32,802)	(78,640)	(33,825)	(23,044)	(4,095)	(10,696)	(16,005)	(24,803)	(424)	(111,498)	(30,655)	(366,487)

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

This section of the CAFR provides additional information regarding the infrastructure and fine art capital assets used in the City's governmental fund operations. These assets are reported only in the governmental activities column of the government-wide Statement of Net Assets. In addition to the information about such assets provided in the notes to the basic financial statements, this section provides information on the source of funding for the assets, the function and activity to which the assets are charged and changes in such assets by function and activity.

CITY OF BEVERLY HILLS, CALIFORNIA

Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source[1]

June 30, 2015 with comparative amounts for June 30, 2014

		2015	2014
Governmental funds capital assets by type, function and activity:			
Land	$	19,559,986	19,559,986
Construction in progress		6,240,528	7,254,389
Infrastructure		133,936,758	138,830,784
Building		7,063,777	7,063,777
Improvements other than buildings		16,468,463	15,728,320
Machinery and equipment		4,365,886	3,620,957
Less accumulated depreciation		(55,881,946)	(60,643,790)
Net infrastructure assets – public works – streets and subdrains		105,952,938	104,600,048
Fine Art Collection – general government – art and culture		2,249,851	2,169,850
Total governmental funds capital assets	$	134,003,303	133,584,273
Investments in governmental capital assets by source:			
2012 Lease Revenue Bonds	$	24,909,796	27,177,230
Capital projects general revenues		41,565,571	43,732,512
General fund revenues		20,252,350	21,481,146
Special revenue funds revenues		47,275,586	41,193,386
Total investment in governmental capital assets by source	$	134,003,303	133,584,274

1. This schedule presents only the capital asset balances related to governmental funds, and not to capital assets of governmental activities reported in the internal service funds. Generally, the capital assets of internal service funds are included in governmental activities in the statement of net position.

CITY OF BEVERLY HILLS, CALIFORNIA

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity

June 30, 2015

Function and Activity	Construction in Progress	Infrastructure	Fine Art Collection	Land	Building	Improvements Other than Buildings	Machinery and Equipment	Total
General government - land	$ —	—	—	19,559,986	—	—	—	19,559,986
Construction in progress	6,240,528	—	—	—	—	—	—	6,240,528
General government – art and culture	—	—	2,249,851	—	—	—	—	2,249,851
General government – Improvements other than buildings	—	—	—	—	—	16,468,463	—	16,468,463
Public works – streets and subdrains	—	133,936,758	—	—	7,063,777	—	4,365,886	145,366,421
Total	$ 6,240,528	133,936,758	2,249,851	19,559,986	7,063,777	16,468,463	4,365,886	189,885,249

CITY OF BEVERLY HILLS, CALIFORNIA

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity

June 30, 2015

Function and Activity	Balance June 30, 2014	Additions	Deductions	Transfers	Balance June 30, 2015
Land	$ 19,559,986	—	—	—	19,559,986
Construction in progress	7,254,389	6,436,637	—	(7,450,498)	6,240,528
Total capital assets not being depreciated	26,814,375	6,436,637	—	(7,450,498)	25,800,514
General government :					
Art and culture – fine art collection	2,169,851	—	—	80,000	2,249,851
Public works:					
Buildings	7,063,777	—	—	—	7,063,777
Infrastructure	138,830,784	—	(10,779,451)	5,885,425	133,936,758
Improvements other than buildings	15,728,320	—	—	740,143	16,468,463
Machinery and equipment	3,620,957	—	—	744,929	4,365,886
Less accumulated depreciation	(60,643,789)	(6,017,608)	10,779,451	—	(55,881,946)
Total public works	104,600,049	(6,017,608)	—	7,370,497	105,952,938
Total	$ 133,584,275	419,029	—	—	134,003,303

CITY OF BEVERLY HILLS, CALIFORNIA

Supplementary Information

City of Beverly Hills Active Adult Club

Statement of Changes in Assets and Liabilities of Agency Fund

For the Year Ended June 30, 2015

	Balance	Additions	Deletions	Balance
Assets				
Cash and cash equivalents	$ 20,157	—	—	20,157
Total assets	20,157	—	—	20,157
Liabilities				
Deposit payable	20,157	—	—	20,157
Total liabilities	$ 20,157	—	—	20,157

STATISTICAL SECTION (UNAUDITED)

The statistical section provides mostly trend data and nonfinancial information useful in assessing the City's financial condition. Because of the special character of the data presented in this section, the statistical section does not come within the scope of the independent audit.

CITY OF BEVERLY HILLS CALIFORNIA

Statistical Section

June 30, 2015

The statistical section of the City of Beverly Hills consists of statistics on various operational aspects of the City. The information presented is un-audited. Its purpose is to provide the user with additional information that would assist in understanding and assessing how the overall financial position of the City has changed over time. The statistical section can be divided into 5 areas:

- Net Position and Changes in Net Position- the schedules provided depict the financial trend of the City's net position and will assist the user in the assessment of the City's financial position. In addition, the schedules for the changes in net position will give the user a better perspective on the information provided in the basic financial statements.

- Revenue Capacity- the data provided will show the City's ability to generate its own revenue. The overlapping rate schedules will illustrate the citizens' of Beverly Hills capacity for additional rate increases. By providing the information of the City's direct rate, the data establishes the link in creating a more complete picture on the taxes levied on the City's taxpayers.

- Debt Capacity- the data provided will show the City's levels of outstanding debt and the City's ability to issue additional debt. The information will give a measure of what the City's economy can bear.

- Demographic and Economic Information- the data provided will assist users in understanding the economic condition in which the City's financial activities take place.

- Operating Information- the data provided will show a quantitative measure of the activities in which the City engages and will assist users in gaining an idea of the size of the City. This section will complement the data provided in the Management Discussion and Analysis (MD&A), basic financial statements, and other sections.

The data of these statistics have been derived from the City of Beverly Hills' Comprehensive Annual Financial Report unless otherwise noted.

CITY OF BEVERLY HILLS, CALIFORNIA

Net Position by Component

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities											
Net investment in capital assets	$	170,857,755	144,226,802	152,497,188	171,765,870	170,538,512	163,965,905	185,561,158	199,111,492	221,176,599	240,366,434
Restricted		57,024,038	43,920,555	51,705,842	77,375,444	69,500,607	34,272,483	29,263,694	34,012,454	33,527,212	21,694,531
Unrestricted		100,385,884	171,148,855	191,470,975	167,201,554	207,130,349	276,815,819	296,731,055	303,170,510	324,529,636	182,250,500
Total governmental activities net position		328,267,677	359,296,212	395,674,005	416,342,868	447,169,468	475,054,207	511,555,907	536,294,456	579,233,447	444,311,465
Business-type activities											
Net investment in capital assets		84,137,521	84,451,122	98,198,238	145,755,878	158,450,102	198,616,368	210,325,789	162,095,506	172,210,710	143,390,063
Restricted		3,446,471	9,126,915	3,199,748	9,463,187	10,172,350	10,175,732	9,069,847	6,545,159	6,500,318	9,401,817
Unrestricted		43,025,422	43,590,057	43,407,339	3,586,842	-1,066,250	-28,275,807	-21,519,141	53,331,275	69,096,252	93,900,263
Total business-type activities net position		130,609,414	137,168,094	144,805,325	158,805,907	167,556,202	180,516,293	197,876,495	221,971,940	247,807,280	246,692,143
Primary government											
Net investment in capital assets		254,995,276	228,677,924	250,695,426	317,521,748	328,988,614	362,582,273	395,886,947	361,206,998	393,387,309	383,756,497
Restricted		60,470,509	47,367,026	54,905,590	86,838,631	79,672,957	44,448,215	38,333,541	40,557,613	40,027,530	31,096,348
Unrestricted		143,411,306	214,738,912	234,878,314	170,788,396	206,064,099	248,540,012	275,211,914	356,501,785	393,625,888	276,150,763
Total primary government net position	$	458,877,091	496,464,306	540,479,330	575,148,775	614,725,670	655,570,500	709,432,402	758,266,396	827,040,727	691,003,608

CITY OF BEVERLY HILLS, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Expenses											
Governmental activities:											
General government	$	3,746,165	15,314,194	9,502,490	9,307,931	7,160,618	6,908,383	8,906,226	10,558,448	8,944,074	7,389,001
Public safety		75,061,162	84,401,851	85,943,252	87,728,743	85,792,885	94,175,921	92,347,684	96,008,043	103,512,793	109,831,170
Public service		14,993,054	17,709,545	19,102,837	18,658,621	17,366,155	19,915,311	19,760,641	26,938,269	29,748,041	31,567,699
Culture and recreation		39,675,546	40,121,139	41,779,877	45,771,755	44,365,466	46,237,415	41,918,369	42,982,186	49,380,401	48,715,791
Interest on long-term debt		7,200,250	7,191,097	7,569,292	7,416,895	7,344,177	8,222,287	8,692,906	7,886,202	7,131,974	6,823,570
Total governmental activities expenses		140,676,177	164,737,826	163,897,748	168,883,945	162,029,301	175,459,317	171,625,827	184,373,148	198,717,284	204,327,230
Business-type activities:											
Water		19,724,346	21,529,204	22,832,227	26,030,993	23,693,096	27,099,129	27,818,745	29,457,542	32,373,970	31,609,747
Parking facilities		13,438,609	15,495,363	16,978,426	18,606,662	19,439,356	23,552,635	18,505,054	17,527,741	17,086,428	16,555,653
Solid waste		10,312,744	11,477,489	12,864,011	12,894,756	13,865,053	13,892,957	12,982,426	13,925,218	14,761,794	15,004,536
Wastewater		5,436,889	6,858,330	7,177,057	6,916,169	6,323,201	6,449,692	10,033,862	10,847,548	9,983,554	8,612,829
Stormwater		2,165,250	1,524,634	2,195,022	3,267,417	2,781,886	3,136,667	2,579,803	2,806,633	2,835,744	3,202,152
Parking authority		-	-	-	-	-	-	23,486,489	29,942,501	29,851,452	29,729,550
Total business-type activities expenses		51,077,838	56,885,020	62,046,743	67,715,997	66,102,592	74,131,080	95,406,379	104,507,183	106,892,942	104,714,467
Total primary government expenses	$	191,754,015	221,622,846	225,944,491	236,599,942	228,131,893	249,590,397	267,032,206	288,880,331	305,610,226	309,041,697

CITY OF BEVERLY HILLS, CALIFORNIA

Changes in Net Position, Continued

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues											
Governmental activities:											
Charges for services:											
General government	$	1,880,850	1,741,610	1,380,417	1,858,869	2,105,290	1,277,077	1,229,863	1,242,289	1,201,032	285,630
Public safety		17,392,742	19,445,890	21,871,626	29,253,080	27,733,231	17,462,244	25,384,542	29,207,003	21,781,966	21,377,440
Public service		17,058,816	18,199,550	21,655,844	11,000,598	11,649,975	27,036,465	19,687,499	19,721,555	31,031,886	37,956,672
Culture and recreation		5,679,408	4,992,910	5,272,492	7,266,355	6,996,873	8,565,374	8,834,940	8,807,283	12,585,113	12,715,281
Operating grants and contributions		2,188,255	1,752,919	2,664,454	4,677,754	3,702,698	4,858,326	4,068,083	4,337,875	2,943,449	1,112,635
Capital grants and contributions		27,642,764	42,373	435,366	646,089	1,506,992	1,385,363	4,521,907	1,904,545	3,034,864	6,959,489
Total governmental activities program revenues		71,842,835	46,175,252	53,280,199	54,702,745	53,695,059	60,584,849	63,726,834	65,220,549	72,578,310	80,407,147
Business-type activities:											
Charges for services:											
Water		17,809,880	22,814,061	23,743,626	24,839,114	24,676,468	31,819,782	31,124,854	34,945,035	38,606,049	36,067,148
Parking facilities		12,772,987	15,240,221	15,647,848	20,096,481	20,933,475	25,075,328	23,921,578	22,929,670	23,437,384	23,820,621
Solid waste		11,796,598	12,011,266	14,275,112	14,617,004	13,369,393	14,577,120	14,751,733	15,427,363	15,285,046	15,905,463
Wastewater		7,604,664	7,820,781	8,986,631	11,481,781	12,805,556	13,005,741	12,700,804	13,210,209	13,500,587	13,125,432
Stormwater		1,804,169	1,749,609	1,788,559	1,774,572	1,845,504	1,824,798	1,774,698	1,820,854	1,760,478	1,729,217
Parking authority		-	-	-	-	-	-	17,957,515	24,644,203	26,606,989	27,873,951
Operating grants and contributions		-	-	-	35,823	2,928	17,421	-	9,469	9,312	-
Capital grants and contributions		-	-	-	-	-	373,040	387,198	200,951	300,647	223,537
Total business-type activities program revenues		51,788,298	59,635,938	64,441,776	72,844,775	73,633,324	86,693,230	102,618,380	113,187,754	119,506,492	118,745,369
Total primary government program revenues	$	123,631,133	105,811,190	117,721,975	127,547,520	127,328,383	147,278,079	166,345,214	178,408,303	192,084,802	199,152,516
Net (expense) revenue:											
Governmental activities	$	(68,833,342)	(118,562,574)	(110,617,549)	(114,181,200)	(108,334,242)	(114,874,468)	(107,898,993)	(119,152,599)	(126,138,974)	(123,920,083)
Business-type activities		710,460	2,750,918	2,395,033	5,128,778	7,530,732	12,562,150	7,212,001	8,680,571	12,613,550	14,030,902
Total Primary government net expense	$	(68,122,882)	(115,811,656)	(108,222,516)	(109,052,422)	(100,803,510)	(102,312,318)	(100,686,992)	(110,472,028)	(113,525,424)	(109,889,181)

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Changes in Net Position, Continued

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position:											
Governmental acitvities:											
Taxes:											
Business	$	31,634,820	33,637,997	34,371,407	34,976,554	35,481,235	33,993,715	37,011,611	37,773,711	40,563,115	43,792,802
Property		29,053,621	33,109,566	34,572,307	38,654,691	42,859,199	41,814,780	42,622,470	45,893,196	48,168,370	53,577,294
Sales		24,817,499	26,034,685	24,797,691	23,777,904	19,671,342	22,052,861	23,093,786	26,820,826	31,151,214	31,338,893
Transient occupancy		22,842,265	25,870,676	29,101,920	24,001,879	23,447,458	26,594,808	29,789,182	31,085,808	35,397,160	36,658,589
Other		3,909,671	7,336,430	4,329,692	4,132,321	1,793,385	3,706,048	3,406,104	4,743,455	8,533,664	9,275,967
Grants and contributions not restricted to specific programs		1,943,643	2,727,966	3,167,742	2,927,277	419,910	575,314	409,274	667,516	216,239	-
Unrestricted investment earnings		10,251,387	16,572,050	14,637,553	12,184,239	11,492,231	11,094,647	11,280,401	12,297,202	6,906,433	9,570,102
Net change in fair value of investments		(1,056,975)	753,662	139,064	481,383	1,479,844	(33,470)	(563,322)	(4,575,516)	3,377,923	(854,729)
PERS credit		-	-	-	-	-	-	-	-	-	-
All street meters		-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets		86,031	2,138,495	64,215	(115,136)	-	-	-	-	-	-
Miscellaneous		946,446	1,409,582	1,813,751	541,425	1,834,044	1,949,835	1,906,938	1,233,050	6,460,012	3,565,509
Restatements		-	-	-	-	-	-	-	-	-	-
Transfers		8,794	-	-	(6,712,474)	682,194	1,010,669	444,249	(7,925,000)	(5,400,000)	7,575,210
Contributions to parking authority		-	-	-	-	-	-	(5,000,000)	(4,123,100)	(5,000,000)	-
Total governmental activities:		124,437,202	149,591,109	146,995,342	134,850,063	139,160,842	142,759,207	144,400,693	143,891,148	170,374,130	194,499,637
Business-type activities:											
Unrestricted investment earnings		1,900,660	3,544,531	5,044,063	1,932,029	1,361,396	1,506,869	1,231,589	1,371,810	1,500,919	1,692,292
Net change in fair value of investments		(411,843)	223,093	100,938	192,936	505,896	(132,624)	(192,556)	(1,283,053)	456,735	(276,237)
Gain on sale of capital assets		-	-	-		-	-	931	-	-	-
Miscellaneous		44,122	40,138	97,197	34,365	34,461	34,365	4,552,486	3,278,017	2,563,845	5,206,971
Restatements		-	-	-	-	-	-	-	-	-	-
Transfers		(8,794)	-	-	6,712,474	(682,194)	(1,010,669)	(444,249)	7,925,000	5,400,000	(7,575,210)
Contributions to parking authority		-	-	-	-	-	-	5,000,000	4,123,100	5,000,000	-
Total Business-type activities:		1,524,145	3,807,762	5,242,198	8,871,804	1,219,559	397,941	10,148,201	15,414,874	14,921,499	(952,184)
Total primary government:	$	125,961,347	153,398,871	152,237,540	143,721,867	140,380,401	143,157,148	154,548,894	159,306,022	185,295,629	193,547,453
Change in Net Position											
Governmental activities	$	5,874,628	31,028,535	36,377,793	20,668,863	30,826,600	27,884,739	36,501,700	24,738,549	44,235,156	70,579,554
Business-type activities		4,275,063	6,558,680	7,637,231	14,000,582	8,750,291	12,960,091	17,360,202	24,095,445	27,535,049	13,078,718
Total primary government:	$	10,149,691	37,587,215	44,015,024	34,669,445	39,576,891	40,844,830	53,861,902	48,833,994	71,770,205	83,658,272

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund											
Reserved	$	18,677,717	18,404,138	18,670,005	-	-	-	-	-	-	-
Unreserved		50,378,595	62,990,905	74,634,257	-	-	-	-	-	-	-
Nonspendable		-	-	-	24,920,411	24,369,188	24,194,752	23,581,899	23,055,755	19,029,646	15,566,903
Restricted		-	-	-	32,000,000	32,000,000	-	-	-	-	-
Committed		-	-	-	16,364,502	16,109,814	8,480,041	10,363,227	12,167,283	11,163,835	4,384,449
Assigned		-	-	-	957,235	3,284,204	1,447,295	3,300,000	2,000,000	2,000,000	5,000,000
Unassigned		-	-	-	19,198,909	21,801,773	63,862,068	69,963,868	80,691,045	96,198,353	124,429,495
Total General Fund	$	69,056,312	81,395,043	93,304,262	93,441,057	97,564,979	97,984,156	107,208,994	117,914,083	128,391,834	149,380,847
Capital Projects Fund											
Reserved	$	2,516,874	1,733,178	12,160,704	-	-	-	-	-	-	-
Unreserved		13,488,391	7,474,736	7,866,356	-	-	-	-	-	-	-
Restricted		-	-	-	18,863,534	20,974,922	15,967,270	15,324,339	18,595,979	19,957,064	40,057,473
Total Capital Projects Fund	$	16,005,265	9,207,914	20,027,060	18,863,534	20,974,922	15,967,270	15,324,339	18,595,979	19,957,064	40,057,473
All other governmental funds											
Reserved	$	4,908,272	14,173,244	15,687,641	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds		19,168,742	15,006,948	14,547,746	-	-	-	-	-	-	-
Permanent funds		158,782	169,963	176,338	-	-	-	-	-	-	-
Nonspendable		-	-	-	8,191,852	7,951,613	81,381	81,381	81,381	81,381	81,381
Restricted		-	-	-	10,622,748	11,415,127	13,256,219	11,868,339	13,432,345	15,634,435	19,860,439
Committed		-	-	-	13,165,078	3,803,123	12,008,977	19,591,545	21,051,608	20,788,506	28,298,098
Assigned		-	-	-	1,588,368	4,020,109	8,780,214	2,425,916	2,293,685	-	-
Unassigned		-	-	-	(192,753)	5,887,748	(91,578)	(40,810)	(86,023)	(171,763)	(143,396)
Total all other governmental funds	$	24,235,796	29,350,155	30,411,725	33,375,293	33,077,720	34,035,213	33,926,371	36,772,996	36,332,560	48,096,522

Note: As of the end of the current fiscal year, the City's governmental funds report combined ending fund balances of $237.5 million, an increase of $52.9 million over the prior year. Operations for the current year provided a $14.4 million (6.6%) increase in revenues to $231.1 million, with most of that change coming from an increase in tax revenues and licenses and permits. A $6.8 million (3.6%) decrease in expenditures to $182.7 million was mostly due reduced capital outlay expenditures. Net transfers to governmental funds from other funds were $4.4 million for the year. For more information, please see Management 's Discussion and Analysis starting on page 17.

CITY OF BEVERLY HILLS, CALIFORNIA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	$ 111,358,106	125,141,065	129,782,974	124,775,239	123,240,516	128,393,179	136,206,128	146,805,031	165,424,595	171,554,127
Licenses and permits	10,536,677	12,226,052	12,122,383	11,425,387	9,591,105	12,123,447	13,153,624	15,218,056	17,347,602	25,226,146
Intergovernmental	4,213,782	4,523,258	5,864,032	8,251,120	5,429,676	6,588,277	8,543,974	6,339,981	5,649,426	7,847,357
Charges for services	8,752,581	9,661,290	10,199,910	9,131,916	10,642,968	10,266,039	10,593,871	10,818,820	10,993,040	10,318,181
Fines, forfeitures and penalties	6,177,549	6,990,860	8,155,085	9,296,387	10,127,770	9,532,623	7,353,794	7,508,395	7,379,490	6,899,618
Use of money and property	7,107,586	9,411,973	8,851,189	7,233,267	6,479,178	7,494,753	6,985,143	6,587,605	6,796,333	6,727,662
Net change in fair value of investments	(448,507)	350,958	75,545	249,796	661,198	143,625	(269,846)	(2,039,739)	439,314	(488,242)
Contribution in aid of construction	4,300,000	-	-	-	-	-	-	131,255	-	-
Miscellaneous	946,446	1,409,582	1,753,751	1,175,999	973,399	863,170	1,404,027	961,257	2,639,384	2,967,254
Total revenues	152,944,220	169,715,038	176,804,869	171,539,111	167,145,810	175,405,113	183,970,715	192,330,661	216,669,184	231,052,103
Expenditures										
Current										
General government	6,468,832	11,209,334	6,475,903	6,598,816	5,876,352	5,625,097	6,971,342	7,988,423	8,646,424	7,226,210
Public safety	72,360,587	80,983,337	85,916,413	88,152,321	82,109,842	82,213,794	88,313,546	88,275,098	92,773,205	97,018,595
Public service	15,043,236	17,101,857	19,903,166	21,639,515	19,164,931	20,807,903	21,368,981	24,961,697	25,968,501	26,964,646
Culture and recreation	35,369,733	36,321,278	35,444,083	41,940,546	41,050,006	38,936,209	38,517,596	39,009,248	43,456,298	43,430,291
Debt service										
Interest	1,766,075	1,504,183	1,511,527	1,512,819	1,512,625	1,500,955	1,623,429	1,307,007	1,307,006	1,305,011
Principal and finance charges	4,825	433,351	-	-	333,697	344,461	719,104	-	46,064	63,977
Capital outlay	2,140,614	3,873,580	6,329,172	6,629,225	7,620,966	16,018,334	10,891,848	4,521,352	17,337,787	6,706,261
Total expenditures	133,153,902	151,426,920	155,580,264	166,473,242	157,668,419	165,446,753	168,405,846	166,062,825	189,535,285	182,714,991
Excess of revenues over expenditures	19,790,318	18,288,118	21,224,605	5,065,869	9,477,391	9,958,360	15,564,869	26,267,836	27,133,899	48,337,112
Other financing sources (uses)										
Transfers in	230,344	2,180,509	9,436,798	4,387,555	2,068,840	1,500,000	2,094,366	300,000	200,000	12,390,610
Proceeds of bonds	-	35,135,045	-	-	-	-	32,665,980	-	-	-
Insurance recoveries	-	-	60,000	39,281	10,055	45,388	3,052	5,286	-	-
Transfers out	(2,989,915)	(9,816,594)	(6,931,468)	(7,555,868)	(5,618,549)	(15,134,730)	(2,124,637)	(5,613,744)	(10,935,500)	(8,009,731)
Payment to bond escrow agent	-	(35,131,339)	-	-	-	-	(34,730,565)	(12,924)	-	-
Contributions to parking authority	-	-	-	-	-	-	(5,000,000)	(4,123,100)	(5,000,000)	-
Total other financing sources (uses)	(2,759,571)	(7,632,379)	2,565,330	(3,129,032)	(3,539,654)	(13,589,342)	(7,091,804)	(9,444,482)	(15,735,500)	4,380,879
Special Item, pension contribution	-	-	-	-	-	-	-	-	-	-
Restatement	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ 17,030,747	10,655,739	23,789,935	1,936,837	5,937,737	(3,630,982)	8,473,065	16,823,354	11,398,400	52,717,991
Debt service as a percentage of noncapital expenditures	1.35%	1.31%	1.01%	0.95%	1.23%	1.23%	1.49%	0.81%	0.79%	0.78%

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenue Classification A Tax Due	Total Revenue Classification A Tax Paid	Total Revenue Classification A Percentage Paid	Total Direct Classification A Base Tax Rate[1]	Total Direct Classification A Additional Tax Rate[1]
2015	$ 1,437,933	1,559,193	108.43%	252.00	0.05265
2014	1,437,127	1,550,713	107.90%	251.00	0.05244
2013	1,307,490	1,422,638	108.81%	245.92	0.05136
2012	1,173,725	1,379,716	117.55%	238.76	0.05000
2011	1,304,048	1,706,240	130.84%	237.10	0.05000
2010	1,113,626	1,573,720	141.31%	235.00	0.04907
2009	1,495,961	1,236,629	82.66%	232.00	0.48540
2008	1,113,856	1,137,522	102.12%	222.36	0.04658
2007	1,251,491	1,209,995	96.68%	215.56	0.04537
2006	1,110,923	1,088,021	97.94%	207.39	0.04345

1. Business tax classifications and associated rate structures:

Classification A - Business services:
-Base tax and first 2080 hours of employee payroll
-Each additional hour of employee payroll

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax, Continued

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenue Classification B Tax Due	Total Revenue Classification B Tax Paid	Total Revenue Classification B Percentage Paid	Total Revenue Classification B Minimum Tax Rate[1]	Total Revenue Classification B Additional Tax Rate[1]
2015	$ 5,000,945	5,165,534	103.29%	75.00	0.00125
2014	4,408,701	4,613,476	104.64%	75.00	0.00125
2013	4,393,217	4,518,387	102.85%	75.00	0.00125
2012	3,778,207	3,974,656	105.20%	75.00	0.00125
2011	3,418,895	3,776,219	110.45%	75.00	0.00125
2010	3,074,933	3,227,558	104.96%	75.00	0.00125
2009	3,613,053	3,572,124	98.87%	75.00	0.00125
2008	3,979,385	3,973,626	99.86%	75.00	0.00125
2007	3,706,470	3,646,756	98.39%	75.00	0.00125
2006	3,510,620	3,488,038	99.36%	75.00	0.00125

1. Business tax classifications and associated rate structures:

Classification B - Retail, wholesale & manufacturing:
-Minimum
-Per $1.00 of gross receipts over $60,000

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax, Continued

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenue Classification C Tax Due	Total Revenue Classification C Tax Paid	Total Revenue Classification C Percentage Paid	Total Revenue Classification C Base Tax Rate[1]	Total Revenue Classification C Professional Payroll Tax Rate[1]	Total Revenue Classification C-1 Tax Due	Total Revenue Classification C-1 Tax Paid	Total Revenue Classification C-1 Non-Professional Payroll Tax Rate[1]
2015	$ 4,443,306	4,650,781	104.67%	1,397.00	0.67163	828,873	869,353	0.13491
2014	4,468,221	4,750,578	106.32%	1,391.00	0.66875	856,200	880,517	0.13437
2013	4,090,087	4,507,260	110.20%	1,362.59	0.65514	605,497	662,471	0.13161
2012	4,256,916	4,517,034	106.11%	1,322.90	0.63606	847,414	915,264	0.12778
2011	4,054,866	4,469,390	110.22%	1,313.70	0.63164	850,549	1,000,304	0.12689
2010	4,092,325	4,392,554	107.34%	1,302.00	0.62601	846,522	857,807	0.12576
2009	3,910,791	3,974,905	101.64%	1,288.00	0.61920	935,859	909,219	0.12439
2008	3,790,129	3,806,890	100.44%	1,236.02	0.59424	13,007	807,117	0.11938
2007	3,786,305	3,669,272	96.91%	1,203.76	0.57873	819	704,506	0.11626
2006	4,117,922	4,022,750	97.69%	1,152.81	0.55424	-	670,399	0.11134

1. Business tax classifications and associated rate structures:

Classification C - Professionals
-Base and first 2080 hours of professional payroll or billed hours
-Each additional hour of professional/semiprofessional payroll or billed hours

Classification C-1 - -Each hour of non-professional employee payroll

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax, Continued

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenue Classification D Tax Due	Total Revenue Classification D Tax Paid	Total Revenue Classification D Percentage Paid	Total Revenue Classification D Minimum Tax Rate[1]	Total Revenue Classification D Additional Tax Rate[1]
2015	$ 466,579	466,585	100.00%	255.00	0.0030
2014	244,963	389,180	158.87%	255.00	0.0030
2013	137,869	92,639	67.19%	255.00	0.0030
2012	437,905	446,570	101.98%	255.00	0.0030
2011	397,325	397,325	100.00%	255.00	0.0030
2010	409,032	409,106	100.02%	255.00	0.0030
2009	292,324	292,309	99.99%	255.00	0.0030
2008	365,873	365,941	100.02%	255.00	0.0030
2007	352,937	349,646	99.07%	255.00	0.0030
2006	316,780	316,780	100.00%	255.00	0.0030

1. Business tax classifications and associated rate structures:

Classification D - Used car sales (not associated with new car dealership)
-Minimum tax
-Each $1.00 of gross receipts over $85,000

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax, Continued

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Classification E Tax Due	Classification E Tax Paid	Classification E Percentage Paid	Classification E Tax Rate[1]	Classification F Tax Due	Total Revenue Classification F Tax Paid	Total Revenue Classification F Percentage Paid	Total Revenue Classification F Tax Rate[1]
2015	$ 5,806,709	5,888,497	101.41%	0.0120	17,025,423	17,939,391	105.37%	0.02350
2014	5,452,036	5,574,758	102.25%	0.0120	15,962,822	16,363,939	102.51%	0.02350
2013	5,050,417	5,095,575	100.89%	0.0120	15,414,117	15,436,711	100.15%	0.02350
2012	4,925,774	5,062,993	102.79%	0.0120	14,964,157	15,245,669	101.88%	0.02350
2011	4,294,773	4,496,336	104.69%	0.0120	13,711,498	14,291,742	104.23%	0.02350
2010	4,060,778	4,195,169	103.31%	0.0120	14,201,325	14,577,480	102.65%	0.02350
2009	4,797,380	4,838,172	100.85%	0.0120	14,257,997	14,577,480	102.24%	0.02350
2008	4,689,574	4,604,390	98.18%	0.0120	12,674,689	12,688,193	100.11%	0.02350
2007	4,101,037	4,047,342	98.69%	0.0120	11,867,324	11,403,119	96.09%	0.02350
2006	3,612,397	3,590,766	99.40%	0.0120	10,512,617	10,414,647	99.07%	0.02350

1. Business tax classifications and associated rate structures:

Classification E - Residential property rental - each $1.00 of gross receipts

Classification F - Commercial property rental - each $1.00 of gross receipts

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax, Continued

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenue Classification G Tax Due	Total Revenue Classification G Tax Paid	Total Revenue Classification G Percentage Paid	Total Revenue Classification G Tax Rate[1]	Total Revenue Classification G1 Tax Due	Total Revenue Classification G1 Tax Paid	Total Revenue Classification G1 Percentage Paid	Total Revenue Classification G1 Tax Rate[1]
2015	$ 6,204,531	6,410,967	103.33%	0.00350	229,029	236,412	103.22%	0.00100
2014	5,545,007	5,782,468	104.28%	0.00350	182,722	207,414	113.51%	0.00100
2013	5,335,527	5,961,227	111.73%	0.00350	142,558	155,039	108.76%	0.00100
2012	3,662,304	5,319,203	145.24%	0.00350	155,462	344,097	221.34%	0.00100
2011	3,797,779	4,205,601	110.74%	0.00350	94,523	175,133	185.28%	0.00100
2010	3,726,945	4,018,195	107.81%	0.00350	116,591	175,133	150.21%	0.00100
2009	3,399,337	3,483,909	102.49%	0.00350	51,831	44,074	85.03%	0.00100
2008	4,460,328	4,363,312	97.82%	0.00350	-	-	N/A	0.00100
2007	6,342,778	5,254,920	82.85%	0.00350	-	-	N/A	0.00100
2006	5,189,759	4,773,106	91.97%	0.00350	28,923	8,881	30.71%	0.00100

1. Business tax classifications and associated rate structures:

Classification G - Lenders, brokers, real estate brokers/offices - each $1.00 of gross receipts
Classification G1 - Real estate agents - each $1.00 of gross receipts

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax, Continued

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenue Classification O.1 Tax Due	Total Revenue Classification O.1 Tax Paid	Total Revenue Classification O.1 Percentage Paid	Total Revenue Classification O.1 Minimum Tax Rate[1]	Total Revenue Classification O.1 Additional Tax Rate[1]
2015	$ 78,280	78,280	100.00%	2,055.00	0.15
2014	61,855	61,868	100.02%	2,047.00	0.15
2013	68,687	68,678	99.99%	2,005.13	0.15
2012	68,505	68,505	100.00%	1,946.73	0.14
2011	56,000	56,728	101.30%	1,933.20	0.14
2010	84,890	84,423	99.45%	1,916.00	0.14
2009	69,679	69,679	100.00%	1,895.00	0.14
2008	72,408	72,328	99.89%	1,818.55	0.13
2007	75,482	75,402	99.89%	1,771.09	0.12
2006	114,881	114,881	100.00%	1,696.12	0.12

1. Business tax classifications and associated rate structures:

Classification Oil Wells 1 - Outside city
-First 10,000 barrels
-Per each additional barrel

(Continued)

CITY OF BEVERLY HILLS, CALIFORNIA

Revenue Bases and Rates of Business Tax, Continued

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenue Classification O.2 Tax Due	Total Revenue Classification O.2 Tax Paid	Total Revenue Classification O.2 Percentage Paid	Total Revenue Classification O.2 Minimum Tax Rate[1]	Total Revenue Classification O.2 Additional Tax Rate[1]
2015	$ 120,827	120,827	100.00%	4,126.00	0.38
2014	121,842	126,235	103.61%	4,110.00	0.38
2013	116,294	116,294	100.00%	4,024.99	0.37
2012	120,890	122,065	100.97%	3,907.76	0.36
2011	129,650	133,980	103.34%	3,880.60	0.36
2010	109,730	112,080	102.14%	3,846.00	0.35
2009	119,274	119,340	100.06%	3,804.00	0.35
2008	118,472	118,472	100.00%	3,650.75	0.34
2007	120,570	117,556	97.50%	3,555.46	0.34
2006	69,999	69,999	100.00%	3,406.96	0.32

1. Business tax classifications and associated rate structures:

Classification Oil Wells 2 - Inside city
-First 10,000 barrels
-Per each additional barrel

CITY OF BEVERLY HILLS, CALIFORNIA

Principal Business Tax Payers[2]

June 30, 2015
(Unaudited)

Rank	2015 Taxpayer[1]	2006 Taxpayer[1]
1	B. W. HOTEL LLC	B. W. HOTEL LLC
2	WILLIAM MORRIS ENDEAVOR ENT, LLC	CREATIVE ARTISTS AGENCY, LLC
3	PENINSULA BEVERLY HILLS	SAJAHTERA,INC. DBA THE B.H HOT
4	UNITED TALENT AGENCY INC	CANYON CAPITAL ADVISORS, LLC
5	OASIS WEST REALTY LLC	OASIS WEST REALTY LLC
6	SAJAHTERA INC DBA THE B.H. HOT	PENINSULA BEVERLY HILLS
7	TWO RODEO DR	WILSHIRE RODEO FEE LLC
8	PLATINUM EQUITY ADVISORS, LLC	UNITED TALENT AGENCY INC
9	BEVERLY HILLS LUXURY HOTEL, LLC	INTERNATIONAL CREATIVE MANAGEMENT
10	DE2000, LLCC - 9601 WILSHIRE	NRT INC

1. Source - The City of Beverly Hills Administrative-Services Department

CITY OF BEVERLY HILLS, CALIFORNIA

Property Tax Levies and Collections

Last Ten Fiscal Years
(Unaudited)

	Secured Taxes					Unsecured Taxes					Total Levy	Total Collections to Date	
		Collections		Delinquency			Collections		Delinquency (Delinquencies Collected)				
Fiscal Year[2]	Total Levy	Amount	Percent	Amount	Percent	Total Levy	Amount	Percent[1]	Amount	Percent	Amount	Amount	Percent of Levy
2015	$ 46,694,335	45,270,799	96.95%	1,423,536	3.05%	1,867,688	1,726,310	92.43%	141,378	7.57%	48,562,023	46,997,109	96.78%
2014	43,568,039	42,469,237	97.48	1,098,802	2.52	1,802,086	1,934,162	107.33	(132,076)	-7.33	45,370,125	44,403,399	97.87%
2013	40,760,153	39,395,063	96.65	1,365,090	3.35	1,524,197	1,606,340	105.39	(82,143)	-5.39	42,284,350	41,001,403	96.97%
2012	38,440,450	34,849,673	90.66	3,590,777	9.34	1,482,515	1,504,935	101.51	(22,420)	-1.51	39,922,965	36,354,608	91.06%
2011	37,246,849	34,627,655	92.97	2,619,194	7.03	1,542,493	1,547,253	100.31	(4,760)	-0.31	38,789,342	36,174,908	93.26%
2010	37,997,237	34,923,926	91.91	3,073,311	8.09	1,542,801	1,640,503	106.33	(97,702)	-6.33	39,540,038	36,564,429	92.47%
2009	35,712,203	32,595,949	91.27	3,116,254	8.73	1,291,430	1,363,777	105.60	(72,347)	-5.60	37,003,633	33,959,726	91.77%
2008	32,319,660	29,450,707	91.12	2,868,953	8.88	1,291,430	1,287,733	99.71	3,697	0.29	33,611,090	30,738,440	91.45%
2007	27,687,280	25,526,817	92.20	2,160,463	7.80	1,242,848	1,195,746	96.21	47,102	3.79	28,930,128	26,722,563	92.37%
2006	25,332,035	22,650,471	89.41	2,681,564	10.59	1,223,537	1,236,965	101.10	(13,428)	-1.10	26,555,572	23,887,436	89.95%

1. For some years the total property tax collections to date as a percentage of the annual levy exceeds 100 percent because overcollections existed in those years. No interest or penalties are included in these totals.

2. Fiscal year indicates year of levy and as such, collections and delinquency amounts are represented respectively for each year.

CITY OF BEVERLY HILLS, CALIFORNIA

Assessed and Estimated Actual Value of Taxable Property[1]

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Real Property Exemptions	Net Assessed Value	Estimated Actual Value	Ratio of Net Assessed Value to Estimated Actual Value	Total Direct Tax Rate [2]
2015	$ 24,927,472,431	541,945,422	31,745,000	25,437,672,853	25,469,417,853	99.88	1.019026
2014	23,699,934,458	505,405,873	32,607,400	24,172,732,931	24,205,340,331	99.87	1.017509
2013	22,192,984,986	513,407,389	33,534,200	22,672,858,175	22,706,392,375	99.85	1.017509
2012	20,811,530,307	515,563,539	34,384,000	21,292,709,846	21,327,093,846	99.84	1.018459
2011	20,534,364,962	541,088,467	35,105,000	21,040,348,429	21,075,453,429	99.83	1.015449
2010	21,055,787,380	578,769,365	35,515,200	21,599,041,545	21,634,556,745	99.84	1.014700
2009	19,813,776,889	567,725,139	35,618,800	20,345,883,228	20,381,502,028	99.83	1.014226
2008	17,690,479,457	543,352,271	35,725,200	18,198,106,528	18,233,831,728	99.80	1.017000
2007	16,239,966,588	451,072,766	35,728,000	16,655,311,354	16,691,039,354	99.79	1.006200
2006	14,966,672,240	424,717,447	36,086,400	15,355,303,287	15,391,389,687	99.77	1.006100

1. Source – Taxpayers' Guide compiled by the Los Angeles County Auditor-Controller's Office.
2. Total direct tax rates are estimates based on post-Proposition 13 assessed values and tax levies from the Los Angeles County Tax Collector. In previous years, these amounts were represented as direct and overlapping tax rates combined.

CITY OF BEVERLY HILLS, CALIFORNIA

Property Tax Rates for Direct and Overlapping Governments[1]
(Per $100 of Assessed Value)

Last Ten Fiscal Years
(Unaudited)

	City of Beverly Hills			School Districts			County of Los Angeles						
Fiscal Year	General Fund (Base)[2]	Retirement Benefits for Public Safety Personnel	Total	Beverly Hills Unified	Los Angeles Unified	Los Angeles Community College[3]	General	Flood Control District[3]	Sanitation District No. 4	School Services[3]	Metropolitan Water District	West Mosquito Abatement District	Total
2015	1.0000	0.0190	1.0190	0.0458	0.1469	0.0402	—	—	—	—	0.0035	—	1.2554
2014	1.0000	0.0173	1.0173	0.1002	0.1464	0.0408	—	—	—	—	0.0035	—	1.3083
2013	1.0000	0.0175	1.0175	0.0520	0.1756	0.0488	—	—	—	—	0.0035	—	1.2974
2012	1.0000	0.0185	1.0185	0.0502	0.1775	0.0403	—	—	—	—	0.0037	—	1.2901
2011	1.0000	0.0154	1.0154	0.0502	0.1870	0.0231	—	—	—	—	0.0037	—	1.2794
2010	1.0000	0.0147	1.0147	0.0453	0.1495	0.0231	—	—	—	—	0.0043	—	1.2369
2009	1.0000	0.0142	1.0142	0.0484	0.1247	0.0221	—	—	—	—	0.0043	—	1.2137
2008	1.0000	0.0170	1.0170	0.0499	0.1233	0.0088	0.0007	—	—	—	0.0045	—	1.2042
2007	1.0000	0.0062	1.0062	0.0546	0.1067	0.0215	0.0007	0.0001	—	—	0.0047	—	1.1944
2006	1.0000	0.0061	1.0061	0.0605	0.0842	0.0143	0.0008	0.0000	—	—	0.0052	—	1.1712

1. Source – Taxpayers' Guide compiled by the Los Angeles County Auditor-Controller's Office. For any given tax year, unsecured property is taxed at the prior year's secured tax rate. For jurisdictions with more than one tax rate, the rate most commonly associated with the City of Beverly Hills is given.
2. The property tax rates for the General Fund are estimates based on post-Proposition 13 assessed values and tax levies from the Los Angeles County Tax Collector.
3. Beginning July 1, 1978, due to Proposition 13, Section 2237(a) of the California Revenue and Taxation Code provides that no local agency, school district, county superintendent of schools or community college district shall levy an ad valorem tax, other than that amount which is equal to the amount needed to make annual payments for the interest and principal on general obligation bonds or other indebtedness approved by the voters prior to July 1, 1978, or the amount levied pursuant to Part 10 of Division I and Sections 39309, 39311, 81338 and 81341 of the California Education Code.

   Section 2237(b) of the California Revenue and Taxation Code provides that the County shall levy an ad valorem property tax on taxable assessed value at a rate equal to $4 per $100 of assessed value, which equates to 1% of market value. For the year ended June 30, 1979, the revenue from such tax shall be distributed to local agencies, school districts, county superintendents of schools, community college districts and community redevelopment agencies in accordance with the provisions of Section 26912 of the California Government Code. Subsequent state action enacted the necessary legislation for the allocation of property tax revenues for the year ended June 30, 1980 and thereafter. In addition, the rate was modified to be $1 per $100 of assessed value and the assessed value was modified from 25% to 100% of cash value.

CITY OF BEVERLY HILLS, CALIFORNIA

Property Tax Levies for All Overlapping Governments[1]

Last Ten Fiscal Years
(Unaudited)

	School Districts			County of Los Angeles					
Fiscal Year	Beverly Hills Unified	Los Angeles Unified	Los Angeles Community College	General	Flood Control District	Sanitation District No. 4	School Services	Metropolitan Water District	West Mosquito Abatement District
2015	$ 52,680,016	1,743,289,490	429,001,054	2,824,820,811	108,524,778	452,063	2,514,960,649	51,558,708	965,942
2014	62,590,174	1,653,799,298	442,597,335	2,682,444,795	103,095,271	425,464	2,387,790,476	51,111,008	930,933
2013	45,742,365	1,709,531,666	433,911,405	2,567,417,547	98,698,779	395,119	2,285,396,728	46,828,854	883,007
2012	44,957,437	1,639,239,416	340,915,436	2,511,361,318	96,614,339	381,367	2,238,225,341	47,062,597	852,863
2011	44,006,959	1,692,375,302	368,693,634	2,469,799,250	95,060,304	376,486	2,202,942,646	45,359,572	839,519
2010	44,077,643	1,568,986,406	279,833,358	2,514,165,817	96,590,730	371,525	2,240,662,798	51,225,143	859,067
2009	42,133,834	1,447,110,531	269,915,862	2,519,542,643	96,751,661	371,525	2,254,472,192	50,706,055	828,275
2008	37,912,065	1,336,677,741	186,241,856	2,354,220,287	90,503,686	342,017	2,124,251,752	51,167,058	756,506
2007	35,457,542	1,160,435,290	229,168,057	2,181,826,195	84,265,365	312,918	1,961,481,312	44,710,877	698,041
2006	33,486,667	978,209,602	178,652,749	1,973,711,974	76,289,600	275,723	1,785,859,454	47,266,926	641,561

1. Source – Taxpayers' Guide compiled by the Los Angeles County Auditor-Controller's Office. Levies include maximum allocation under Proposition 13 and debt service requirements. Levies do not include direct assessments and allocations from special augmentation fund.

CITY OF BEVERLY HILLS, CALIFORNIA

Principal Property Taxpayers

Last Ten Fiscal Years
(Unaudited)

		2015 [1]				2006 [1]	
Taxpayer	**Type of Business**	**Assessed Valuation**	**Percentage of Net Assessed Valuation**	**Taxpayer**	**Type of Business**	**Assessed Valuation**	**Percentage of Net Assessed Valuation**
Douglas Emmett LLC	Office buildings	$ 586,947,137	2.30%	Arden Realty Limited Partnership	Office buildings	$ 205,680,663	1.30%
Sloane Two Rodeo LLC	Shopping center	273,246,021	1.07	Sajahtera Inc	Residential property	182,000,000	1.15
Sajahtera Inc	Residential property	258,366,822	1.01	Maple Plaza LP	Office buildings	176,700,000	1.11
Beverly Hills Luxury Hotel LLC	Hotel	247,621,043	0.97	B W Hotel LLC	Hotel	153,903,730	0.97
Trea Wilshire Rodeo LLC	Office buildings	193,022,225	0.76	Douglas Emmett 2000 LLC	Office buildings	151,519,647	0.96
Beverly Wilshire Owner, LP	Real Estate	187,433,982	0.74	Rodeo Owner Corporation	Shopping center	151,392,630	0.96
B W Hotel LLC	Hotel	186,704,850	0.73	Beverly Wilshire Owner	Real Estate	130,000,000	0.82
Wanda Beverly Hills Properties	Real Estate	154,991,802	0.61	Oasis West Realty LLC	Office buildings	128,296,926	0.81
Maple Plaza LP	Office buildings	145,308,407	0.57	Wilshire Rodeo Fee LLC	Office buildings/shopping center	113,220,000	0.71
Oasis West Realty LLC	Office buildings	143,596,877	0.56	Wilshire LLC	Office buildings/pharmacy	90,222,035	0.57
Total of principal property taxpayers		2,377,239,166	9.33	Total of principal property taxpayers		1,482,935,631	9.36
All other property taxpayers		23,092,178,687	90.67	All other property taxpayers		14,365,182,354	90.64
Total		$ 25,469,417,853	100.00%	Total		$ 15,848,117,985	100.00%

1. Source – Los Angeles County Assessor Data; HdL Coren & Cone

CITY OF BEVERLY HILLS, CALIFORNIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita Income factor	Per Capita
	Revenue Bonds	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases				
2015 [3]	$ 119,439,630	346,019	25,214,046	126,296,678	—	245,736,308	9.4293%	75,119	3,271
2014 [3]	127,810,027	28,800	26,881,191	134,905,105	—	262,715,132	10.8859%	69,964	3,755
2013 [1]	132,607,906	161,568	26,881,191	139,971,841	—	272,579,746	11.2946%	69,964	3,896
2012 [1]	140,657,377	256,932	28,454,620	151,442,225	—	292,099,602	9.6450%	84,657	3,450
2011 [1]	152,885,822	1,670,291	29,939,603	164,843,128	—	317,728,950	10.4912%	84,657	3,753
2010 [1]	139,920,811	—	14,450,639	127,564,570	—	267,485,381	8.8322%	84,657	3,160
2009 [1]	146,313,284	—	9,519,369	122,987,903	—	269,301,187	8.8922%	84,657	3,181
2008 [1]	152,323,541	—	—	127,529,455	—	279,852,996	9.5397%	81,526	3,433
2007 [1]	158,012,245	—	—	110,637,929	18,536,904	287,185,316	10.0402%	79,269	3,623
2006 [2]	140,288,157	—	—	64,163,600	19,215,841	223,667,598	—	—	—

1.Source – 2006-07, 2007-08, 2008-09, 2009-10, 2011-12 and 2012-13 MuniServices LLC.
2. Source – U.S. Department of Commerce, Bureau of Economic Analysis. For fiscal year 2006, the information on percentage of personal income and per capita income is unavailable.
3. Source – City of Beverly Hills finance department (see page 64).

CITY OF BEVERLY HILLS, CALIFORNIA

Computation of Direct and Overlapping Debt

June 30, 2015
(Unaudited)

Jurisdiction	Gross Debt[2]	Net Assessed Valuation[3]	Amount of Gross Debt Applicable to the City[2]		Total Direct And Overlapping Debt	Gross Debt Applicable to the City[4]
			Direct	Overlapping		
City of Beverly Hills[1]	$ 174,340,421	25,437,672,853	174,340,421	1,743,404	176,083,825	100.000%
Beverly Hills Unified School District	194,220,855	25,362,031,976	—	193,830,471	193,830,471	99.799
Los Angeles Unified School District	10,296,665,000	529,947,587,089	—	2,471,200	2,471,200	0.024
Los Angeles Community College District	3,882,265,000	656,506,466,909	—	149,777,784	149,777,784	3.858
County of Los Angeles	1,885,330,518	1,207,856,231,081	—	39,969,007	39,969,007	2.120
Los Angeles County Flood Control District	15,105,000	1,165,058,521,809	—	322,039	322,039	2.132
County Sanitation District No. 4 Authority	1,866,998	Direct Assessment	—	49,270	49,270	2.639
Mountains Recreation/Conservation Authority	10,860,000	Direct Assessment	—	217	217	0.002
	$ 16,460,653,792		174,340,421	388,163,392	562,503,813	

1. All long-term debt instruments of the governmental activities, including bonds, notes, certificates of participation, loans, and capital leases. Source – City of Beverly Hills finance department (see page 64).
2. Source – HdL Coren & Cone.
3. Source – Taxpayers' Guide compiled by the Los Angeles County Auditor-Controller's Office.
The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

CITY OF BEVERLY HILLS, CALIFORNIA

Legal Debt Margin Information

Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 577,177,113	625,913,976	683,768,690	764,306,326	811,295,787	789,013,066	799,766,019	851,489,714	907,699,750	955,103,169
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	577,177,113	625,913,976	683,768,690	764,306,326	811,295,878	789,013,066	798,713,969	851,489,714	913,754,058	795,688,736
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed valuations:		
Net assessed value	$ 25,437,672,853 [1]	
Add back exempt real property	31,745,000 [2]	
Total assessed value	25,469,417,853	
Legal debt margin:		
Debt limitation (3.75% of total assessed value)		955,103,169
Debt applicable to limitation:		
Total long-term liabilities	486,331,369	
Amounts to be paid from:		
Water revenue	64,377,568	
Parking revenue	59,721,248	
Wastewater revenue	10,993,243	
Unearned Revenue	413,141	
Leased Property Deposits	662,466	
Deferred Credit from sale-leaseback transactions	—	
Other Post Employment Benefit Obligation	—	
Compensated absences	15,590,063	
Outstanding claims	13,750,663	
Capital lease	346,019	
Total long-term liabilities excluded from computation	326,916,935	
Total debt applicable to limit		159,414,434
Legal debt margin		$ 795,688,736

1. Source – Taxpayers' Guide compiled by the Los Angeles County Auditor-Controller's Office.
2. Source – Taxpayers' Guide compiled by the Los Angeles County Auditor-Controller's Office.

CITY OF BEVERLY HILLS, CALIFORNIA

Ratio of Annual Debt Service Expenditures of Governmental Funds to Total Governmental Fund Expenditures and
Ratio of Total Debt Service Expenditures to Total Governmental Activities Expenses[1]

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Funds Debt Service Principal	Governmental Funds Debt Service Interest	(A) Subtotal	Governmental Activities Debt Service in Internal Service Funds Principal (B)	Governmental Activities Debt Service in Internal Service Funds Interest	(C) Total Debt	(D) Total General Government Expenditures	(E) Total Governmental Activities Expenses	Ratio of Debt Service to General Governmental Expenditures (A)/(D)	Ratio of Governmental Activities Debt Service to General Governmental Expenses Plus Principal (C)/[(B)+(E)]
2015	$ 63,977	1,305,011	1,368,988	7,830,427	5,454,582	14,653,997	184,018,461	204,327,230	0.74%	6.91%
2014	46,064	1,307,006	1,353,070	8,092,608	5,778,904	15,224,582	183,132,998	198,717,284	0.74	7.36
2013	—	1,307,007	1,307,007	8,773,317	6,579,195	16,659,519	167,155,217	184,373,148	0.78	8.63
2012	719,104	1,623,429	2,342,533	37,939,434	7,046,315	47,328,282	159,638,635	171,625,827	1.47	22.58
2011	344,461	1,500,955	1,845,416	7,466,688	6,658,545	15,970,649	164,563,149	175,459,317	1.12	8.73
2010	333,697	1,512,625	1,846,322	6,847,517	5,768,719	14,462,558	155,666,002	162,029,301	0.97	4.33
2009	—	1,512,819	1,512,819	6,037,268	5,904,076	13,454,163	167,399,885	168,883,945	0.90	7.69
2008	—	1,511,527	1,511,527	5,715,718	6,057,765	13,285,010	149,191,092	163,897,748	1.01	7.83
2007	—	1,504,183	1,504,183	4,820,830	5,253,563	11,578,576	112,418,295	164,737,826	0.01	0.07
2006	—	1,766,075	1,766,075	4,654,162	5,429,350	11,849,587	134,003,203	140,676,177	1.32	8.15

1. A significant portion of the debt service for bonded debt of the City's governmental activities is now reported in its internal service funds since conversion to GASB 34. Accordingly, the City provides two measures of the governmental activities debt service coverage in order to provide comparable information for pre- and post-GASB 34 conversion. The first measure is the ratio of debt service expenditures reported in governmental funds to total governmental funds expenditures (excluding capital outlay). The second measure represents the ratio of total debt service for bonded debt in governmental activities at the government-wide level to total governmental activities expenses plus bonded debt principal. While these measures should be roughly equivalent in the type of information provided, the second measure reflects the full accrual accounting method.

CITY OF BEVERLY HILLS, CALIFORNIA

Ratios of Debt Service Per Capita

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Per Capita
	Principal	Interest	Principal	Interest		
2015	$ 7,894,405	5,260,374	7,825,595	6,053,914	27,034,289	779
2014	8,138,671	5,483,359	7,861,329	6,311,068	27,794,427	802
2013	8,461,413	6,194,369	11,388,587	6,949,866	32,994,235	957
2012	9,252,375	5,678,418	10,132,625	6,775,654	31,839,072	928
2011	7,811,149	6,901,445	6,438,851	7,412,750	28,564,195	835
2010	7,181,213	6,788,760	4,688,787	5,603,809	24,262,569	675
2009	6,037,268	7,295,907	4,692,732	5,657,844	23,683,751	662
2008 [1]	5,715,718	7,524,535	2,999,282	4,333,646	20,573,181	572
2007	4,820,830	5,740,760	4,284,170	3,725,437	18,571,197	515
2006	6,420,238	7,091,662	2,780,837	1,882,432	18,175,169	508

1. The per capita information for 2008 is provided by the California Department of Finance Projections.

CITY OF BEVERLY HILLS, CALIFORNIA

Water Enterprise Fund Long-Term Debt Coverage

Last Ten Fiscal Years
(Unaudited)

	Water Enterprise Fund Operations			Water Enterprise Long-Term Debt Service Requirements[3]			
Fiscal Year	Gross Revenues[1]	Expenses Net of Depreciation and Interest[2]	Net Revenue Available for Debt Service	Principal [5]	Interest Expense [4,5]	Total	Coverage
2015	36,502,243	25,176,858	11,325,385	2,055,000	2,637,638	4,692,638	2.41
2014	39,018,449	25,897,669	13,120,780	1,995,000	2,726,238	4,721,238	2.78
2013	34,820,504	22,903,472	11,917,032	2,090,000	2,801,338	4,891,338	2.44
2012	31,364,068	20,517,579	10,846,489	2,890,000	2,109,098	4,999,098	2.17
2011	32,201,380	20,065,768	12,135,612	1,575,000	2,680,904	4,255,904	2.85
2010	25,159,048	17,723,125	7,435,923	1,690,000	2,748,504	4,438,504	1.68
2009	25,501,072	19,693,842	5,807,230	1,465,000	2,788,791	4,253,791	1.37
2008	26,132,391	16,556,523	9,575,868	670,000	2,190,839	2,860,839	3.35
2007	24,730,942	16,150,895	8,580,047	500,000	1,036,009	1,536,009	5.59
2006	18,491,068	14,881,353	3,609,715	475,000	542,048	1,017,048	3.55

1. Includes operating and nonoperating revenues. Amounts exclude operating transfers in and contributions from other funds.
2. Includes operating expenses less depreciation and amortization, plus nonoperating expenses less interest expense. Amounts exclude operating transfers out and contributions to other funds.
3. Amounts exclude compensated absences.
4. The interest amount reported in 2007 and later includes new debt issued by the City (2007 Water Revenue Bonds).
5. The principal and interest amounts reported in 2012 includes new debt issued by the City (2012 Water Revenue Bonds).

CITY OF BEVERLY HILLS, CALIFORNIA

Wastewater Enterprise Fund Long-Term Debt Coverage

Last Ten Fiscal Years
(Unaudited)

	Wastewater Enterprise Fund Operations			Wastewater Enterprise Long-Term Debt Service Requirements[3]			
Fiscal Year	Gross Revenues[1]	Expenses Net of Depreciation and Interest[2]	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2015	13,465,574	6,514,210	6,951,364	1,160,000	458,350	1,618,350	4.30
2014	13,884,557	7,928,274	5,956,283	1,125,000	492,100	1,617,100	3.68
2013	13,114,555	8,778,319	4,336,236	1,095,000	522,760	1,617,760	2.68
2012	13,010,992	7,987,257	5,023,735	1,070,000	551,650	1,621,650	3.10
2011	13,397,886	4,432,745	8,965,141	1,045,000	576,730	1,621,730	5.53
2010	13,173,309	4,326,481	8,810,828	1,000,000	613,397	1,613,397	5.46
2009	11,705,763	4,883,899	6,821,864	910,000	695,453	1,605,453	4.25
2008	9,347,275	5,136,271	4,211,004	870,000	758,071	1,628,071	2.59
2007	8,387,722	4,773,246	4,521,302	835,000	867,721	1,702,721	2.66
2006	7,917,174	3,395,872	4,521,302	800,000	899,721	1,699,721	2.66

1. Includes operating and nonoperating revenues. Amounts exclude operating transfers in, capital contributions and residual equity transfers in.
2. Includes operating expenses less depreciation and amortization, plus nonoperating expenses less interest expense. Amounts exclude operating transfers out and residual equity transfers out.
3. Amounts exclude compensated absences.

CITY OF BEVERLY HILLS, CALIFORNIA

Demographic and Economic Statistics

Last Ten Fiscal Years
(Unaudited)

Year	Population[1]	Median Household Income[2,3]	Personal Income[3]	Per Capita Personal Income[3]	Unemployment Rate[4]
2015 [5]	34,693	$ 86,141	$ 2,606,103,000	$ 75,119	7.9%
2014 [5]	34,677	86,141	2,613,710,000	75,373	5.2%
2013	34,494	83,217	2,413,354,083	69,964	7.6%
2012	34,291	82,020	2,364,649,751	68,958	7.7%
2011	34,210	81,726	2,241,664,460	65,526	8.6%
2010	35,953	84,356	2,308,470,224	64,208	8.1%
2009	35,774	84,657	2,305,169,238	64,437	5.2%
2008	35,983	81,526	2,232,903,115	62,054	3.4%
2007	36,084	79,269	2,177,160,255	60,336	3.2%
2006	35,813	-	2,096,283,817	58,450	3.3%

1. Source: MuniServices, LLC, California Department of Finance Projections.

2. Median household income information is not available for 2006. Median household income source for 2014 and 2015 - U.S. Census Bureau, 2009-2013 American Community Survey 5-year Estimates.

3. Source:MuniServices, LLC, U.S. Census Bureau, 2010 American Community Survey.

4. Source: MuniServices, LLC, EDD's Bureau of Labor Statistics Department.

5. Fiscal year 2014 and 2015 data source: HdL Coren & Cone, U.S. Census Bureau, 2009-2013 American Community Survey 5-year Estimates.

CITY OF BEVERLY HILLS, CALIFORNIA

Demographic Statistical Data

June 30, 2015
(Unaudited)

Percent of Population in Various Age Groups [1]:

Age	1960	1970	1980	1990	2000	2010
0-9	7.8%	7.4%	5.8%	7.7%	9.1%	8.6%
10-19	13.1	14.4	14.7	11.0	12.9	13.0
20-34	12.0	13.6	17.7	20.1	18.5	17.5
35-44	13.7	11.6	13.2	15.9	15.2	12.7
45-54	19.3	16.0	13.7	13.7	15.8	15.7
55-64	17.7	17.0	13.7	11.3	17.6	13.5
65+	16.4	19.9	21.3	20.3	17.6	19.0
Median age:	46.8	46.9	43.9	42.3	41.3	43.6

Population Distribution by Race (2010 Census) [1]:

	Total	Percent
White	28,112	82.42%
Asian	3,032	8.89%
African American	746	2.19%
Native American	48	0.14%
Two or more races	1,674	4.91%
Other	497	1.46%
	34,109	100.00%

Average income levels (Estimated 2009-2013) [3]:

	Non-Family	Families	Total Households
Median	$ 54,676	116,453	86,141

Housing Units (2010 Census) [1]: 16,394

Housing Units (Estimated 2009-2013) [3]:

	Total	Percent
Single	5,874	36.65%
Multiple	10,123	63.15%
Mobile	32	0.20%
Boat,RV,van	—	0.00%
	16,029	100.00%

Household Size (2010 Census) [1]:

Household	Households	Percent
1	5,400	36.30%
2	4,470	30.10%
3	2,034	13.70%
4	1,757	11.80%
5	875	5.90%
6+	333	2.20%
	14,869	100.00%

Median value of owner-occupied units (Estimated 2009-2013) [3]: $1,000,000+

School Enrollment:

BHUSD (K-12) [2]:	4,187
All schools (Nursery - 12) (Est. 2009-2013) [3]:	8,033

1. Source – Census of Population and Housing, U.S. Bureau of the Census (respective year). The official population census of the United States is conducted every ten years, most recently in 2010.
2. Source – Beverly Hills Unified School District
3. Source - U.S. Census Bureau, 2009-2013 American Community Survey 5-year Estimates

CITY OF BEVERLY HILLS, CALIFORNIA

Principal Employers

Current Year and Ten Years Ago
(Unaudited)

		2013 [1]			2004 [2]	
Rank	Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
1	City of Beverly Hills	999	2.0%	City of Beverly Hills	1,042	2.2%
2	Beverly Wilshire Hotel	856	1.8%	Beverly Hills Unified School District	642	1.4%
3	Beverly Hilton Hotel	692	1.4%	Regent Beverly Wilshire Hotel	620	1.3%
4	Beverly Hills Hotel	677	1.4%	Beverly Hilton Hotel	599	1.3%
5	William Morris Agency, Inc.	650	1.3%	Beverly Hills Hotel	500	1.1%
6	Beverly Hills Unified School District	600	1.2%	William Morris Agency, Inc.	500	1.1%
7	Peninsula Beverly Hills Hotel	467	1.0%	Saks Fifth Avenue	460	1.0%
8	Saks Fifth Avenue	430	0.9%	Neiman Marcus Group, Inc.	450	1.0%
9	Advance Building Maintenance	249	0.5%	Creative Artists Agency	425	0.9%
10	Live Nation Entertainment Inc.	195	0.4%	Peninsula Beverly Hills Hotel	400	0.9%
	Total	5,815	11.9%	Total	5,638	12.1%
	All others:	42,965	88.1%	All others:	40,081	87.80%
	Total	48,780	100%	Total	45,719	100%

1. Source -MuniServices, LLC 2012-2013. Information for the principal employers for the fiscal years 2014 and 2015 is not available.
2. Source - Dun & Bradstreet, Info USA, Burr Consulting. Information for the principal employers for the fiscal year 2006 is not available.

CITY OF BEVERLY HILLS, CALIFORNIA

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years [1]
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General Government	97.63	100.51	108.21	114.47	100.73	104.17	104.05	104.11	104.11	106.00
Public Safety	393.72	394.30	403.90	326.87	301.27	287.50	307.00	296.77	286.77	295.60
Public Service	263.51	235.10	283.47	319.32	304.64	299.60	297.60	306.40	315.40	335.20
Culture and Recreation	163.94	137.07	178.59	206.53	208.26	167.72	168.00	171.37	171.37	173.80
Total	918.80	866.98	974.17	967.19	914.90	858.99	876.65	878.65	877.65	910.60

1. 2006 - 2008 full-time equivalent employees are based on the actual payroll positions. 2009 - 2015 full-time equivalent employees are based on the budgeted positions.

CITY OF BEVERLY HILLS, CALIFORNIA

Operating Indicators

Last Ten Fiscal Years[5]
(Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General Government										
Business licenses issued[1]	11,620	12,300	14,000	10,500	10,250	11,204	10,377	10,932	10,483	10,947
Public Safety										
Police										
Physical arrests[2]	0	1,180	1,040	1,057	1,047	1,074	1,061	1,192	913	1,077
Traffic violations:										
Signed Citations[2]	0	14,690	14,693	14,105	16,289	17,422	9,495	6,287	5,494	9,449
Non-Moving Citations[2]	0	6,700	5,905	5,115	6,616	7,168	4,589	2,708	2,170	3,857
Parking Citations[3]	132,578	139,134	146,059	168,273	168,000	8,276	4,418	3,749	3,211	5,369
Calls For Service by Patrol[2]	0	47,512	48,855	47,453	42,667	42,824	35,248	42,583	42,755	69,610
Fire[4]										
Number of calls answered	5,187	5,645	6,065	6,073	5,942	6,230	6,306	6,459	6,900	7,135
Building and Safety										
Inspections	10,642	4,733	10,544	10,358	8,741	8,165	11,254	11,963	12,533	10,156
Building permits issued	-	2,298	2,396	1,922	1,130	2,440	3,003	2,592	2,765	2,798
Public Service										
Street resurfacing (miles)	1	3	3	12	14	13	1	5.4	10.8	0.2
Potholes repaired	678	832	750	596	650	990	1,659	838	1,120	1,674
New water connections	31	26	44	39	40	42	32	52	47	62
Water main breaks	29	32	35	18	22	15	13	14	16	18
Gallons of water (average daily consumption in millions)	10.30	11.20	12.01	11.40	11.20	10.00	9.70	10.64	11.01	10.1
Culture and Recreation										
Number of children participating in library programs[4]	17,305	25,152	7,466	9,546	10,293	10,184	9,358	15,962	27,316	22,292
Total enrollment in City offered classes	13,041	16,990	14,270	18,272	16,067	11,451	13,349	13,425	13,443	13,740
Total participating art show artists	471	482	484	463	481	480	479	471	493	496

1. The information of the number of business licenses issued in fiscal year 2006 is not available. Therefore, a reasonable estimate has been included.
2. Based on calendar year. Information for the number of physical arrests, signed citations, and calls for service by patrol for fiscal year 2006 is not available. 2008, 2009, 2010, 2011, 2012, 2013, 2014, and 2015 data is based on fiscal year.
3. Source - ACS State and Local Solutions, a parking citation collection service provided for the City of Beverly Hills.
4. The numbers represented in prior years were estimates. For Fiscal Year 2008, a new system was implemented to take count of participants.
5. Source- various City departments.

CITY OF BEVERLY HILLS, CALIFORNIA

Capital Asset Statistics by Function

Last Ten Fiscal Years[1]
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	43	48	49	45	45	43	48	39	40	44
Fire										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks	16	25	25	25	25	25	25	26	27	30
Public Service										
Miles of streets (all paved)	109	109	109	109	109	109	111	111	111	111
Miles of alleys (all paved)	41	41	41	41	41	41	42	42	42	42
Street lights	5,017	5,017	5,018	5,018	5,018	5,019	5,094	5,095	5095	5095
Alley lights	858	858	858	858	858	858	858	858	858	858
Traffic Signalized intersections	95	95	96	98	97	97	97	97	97	97
Parking meters (on street)	2,762	3,150	3,129	2,756	2,756	2,541	2,516	2,618	2,608	2,609
Water mains (miles)	171	171	171	171	171	171	171	171	170	180
Meters in service	10,728	11,114	11,158	11,158	11,158	11,200	11,232	11,087	11,278	11,031
Fire hydrants	1,200	1,200	1,305	1,305	1,345	1,346	1,347	1,349	1,360	1,362
Sanitary sewers (miles)	96	96	98	98	98	98	98	98	98	100
Storm drains (miles)[2]	84	84	32	32	32	32	32	32	32	32
Culture and Recreation										
Parks acreage	97.4	97.4	97.4	97.4	97.4	97.4	97.4	97.4	97.4	97.4
Mini-parks acreage	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
School playground acreage	16	16	16	16	16	16	16	16	16	16

1. Source- various City departments.
2. The 2008, 2009, 2010, and 2011 figures are based on the analysis report by Matrix Consulting Group for the Department of Public Works.