

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF EUREKA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 14,120,792	\$ 14,120,792	\$ 14,304,228	\$ 183,436
Licenses, permits, and fees	988,294	988,294	820,889	(167,405)
Fines and penalties	220,015	220,015	176,083	(43,932)
Intergovernmental	1,997,461	2,138,448	2,513,908	375,460
Charges for services	2,676,461	2,801,531	2,912,188	110,657
Investment income	172,000	196,000	241,608	45,608
Other revenues	69,695	72,695	246,509	173,814
Total Revenues	<u>20,244,718</u>	<u>20,537,775</u>	<u>21,215,413</u>	<u>677,638</u>
<b>Expenditures:</b>				
General government-				
Council	62,883	63,393	53,226	10,167
Mayor	26,613	26,884	26,911	(27)
City Manager	329,541	354,200	349,663	4,537
Personnel/City Clerk	543,785	545,863	461,604	84,259
Finance	654,365	658,124	610,620	47,504
City Attorney	229,399	269,886	233,450	36,436
Non-departmental	1,926,948	1,986,566	1,915,046	71,520
Public safety-				
Police	7,191,478	7,579,396	7,463,201	116,195
Fire	4,235,550	4,597,870	4,522,941	74,929
Public works-				
Engineering	1,481,931	1,487,820	1,450,977	36,843
Maintenance	1,575,864	1,581,535	1,504,972	76,563
Community development	534,439	576,899	519,458	57,441
Culture and recreation	2,174,638	2,237,253	2,159,016	78,237
Capital outlay	180,702	1,580,811	1,386,393	194,418
Debt service -				
Principal payments	94,028	181,323	148,183	33,140
Interest and fiscal charges	7,857	52,942	59,918	(6,976)
Total Expenditures	<u>21,250,021</u>	<u>23,780,765</u>	<u>22,865,579</u>	<u>915,186</u>
Excess of revenues over (under) expenditures	<u>(1,005,303)</u>	<u>(3,242,990)</u>	<u>(1,650,166)</u>	<u>1,592,824</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from capital lease		1,195,000	1,119,079	(75,921)
Transfers in	350,000	350,000	350,000	
Transfers out	(190,368)	(195,827)	(249,153)	(53,326)
Total Other Financing Sources (Uses)	<u>159,632</u>	<u>1,349,173</u>	<u>1,219,926</u>	<u>(129,247)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(845,671)</u>	<u>(1,893,817)</u>	<u>(430,240)</u>	<u>1,463,577</u>
Fund Balance, beginning of fiscal year	6,888,499	6,888,499	6,888,499	
Prior Period Adjustments			(583,981)	(583,981)
Fund Balance, beginning of fiscal year, restated	<u>6,888,499</u>	<u>6,888,499</u>	<u>6,304,518</u>	<u>(583,981)</u>
Fund Balance, end of fiscal year	<u>\$ 6,042,828</u>	<u>\$ 4,994,682</u>	<u>\$ 5,874,278</u>	<u>\$ 879,596</u>

**CITY OF EUREKA**  
**HOUSING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 599,000	\$ 641,000	\$ 128,351	\$ (512,649)
Investment income	17,370	17,370	62,755	45,385
Charges for services	186,134	204,414	399,495	195,081
<b>Total Revenues</b>	<b>802,504</b>	<b>862,784</b>	<b>590,601</b>	<b>(272,183)</b>
<b>Expenditures:</b>				
Current:				
Community development	2,016,629	2,062,643	1,077,501	985,142
<b>Total Expenditures</b>	<b>2,016,629</b>	<b>2,062,643</b>	<b>1,077,501</b>	<b>985,142</b>
Excess of Revenues Over (Under) Expenditures	(1,214,125)	(1,199,859)	(486,900)	712,959
<b>Other Financing Sources (Uses):</b>				
Transfers in		150,000	150,000	
Transfers out		(198,278)	(138,329)	59,949
<b>Total Other Financing Sources (Uses)</b>		<b>(48,278)</b>	<b>11,671</b>	<b>59,949</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,214,125)	(1,248,137)	(475,229)	772,908
Fund Balance, beginning of fiscal year	3,558,604	3,558,604	3,558,604	
Prior Period Adjustments			(2,369,099)	(2,369,099)
Fund Balance, beginning of fiscal year, restat	3,558,604	3,558,604	1,189,505	(2,369,099)
<b>Fund Balance, end of fiscal year</b>	<b>\$ 2,344,479</b>	<b>\$ 2,310,467</b>	<b>\$ 714,276</b>	<b>\$ (1,596,191)</b>

**CITY OF EUREKA**  
**LOW AND MODERATE INCOME HOUSING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 63,000	\$ 63,000	\$ 411,998	\$ 348,998
Other revenues			3,530	3,530
Total Revenues	<u>63,000</u>	<u>63,000</u>	<u>415,528</u>	<u>352,528</u>
<b>Expenditures:</b>				
Current -				
Community development	<u>2,186,509</u>	<u>3,169,059</u>	<u>2,011,595</u>	<u>1,157,464</u>
Total Expenditures	<u>2,186,509</u>	<u>3,169,059</u>	<u>2,011,595</u>	<u>1,157,464</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,123,509)</u>	<u>(3,106,059)</u>	<u>(1,596,067)</u>	<u>1,509,992</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>788,750</u>	<u>949,253</u>	<u>949,453</u>	<u>200</u>
Total Other Financing Sources (Uses)	<u>788,750</u>	<u>949,253</u>	<u>949,453</u>	<u>200</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,334,759)</u>	<u>(2,156,806)</u>	<u>(646,614)</u>	<u>1,510,192</u>
Fund Balance, beginning of fiscal year	7,107,327	7,107,327	7,107,327	
Prior Period Adjustments			<u>(3,071,062)</u>	<u>(3,071,062)</u>
Fund Balance, beginning of fiscal year, restat	<u>7,107,327</u>	<u>7,107,327</u>	<u>4,036,265</u>	<u>(3,071,062)</u>
Fund Balance, end of fiscal year	<u>\$ 5,772,568</u>	<u>\$ 4,950,521</u>	<u>\$ 3,389,651</u>	<u>\$ (1,560,870)</u>

**CITY OF EUREKA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2007**

**NOTE 1-SCHEDULE OF FUNDING PROGRESS** - Local Employees' Retirement System (LERS)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b-a)/c)
6/30/1995	\$ 1,500,695	\$ 6,955,634	\$ 5,454,939	21.6%	N/A	N/A
6/30/1996	1,486,314	6,851,822	5,365,508	21.7%	N/A	N/A
6/30/1997	1,477,862	7,013,672	5,535,810	21.1%	N/A	N/A
6/30/1998	1,177,209	6,883,361	5,706,152	17.1%	N/A	N/A
6/30/1999	1,271,710	6,178,799	4,907,089	20.6%	N/A	N/A
6/30/2000	1,426,952	6,078,866	4,651,914	23.5%	N/A	N/A
6/30/2001	1,521,478	6,648,840	5,127,362	22.9%	N/A	N/A
6/30/2002	1,310,755	6,517,915	5,207,160	20.1%	N/A	N/A
6/30/2003	1,253,920	5,749,458	4,495,538	21.8%	N/A	N/A
6/30/2004	875,905	5,599,704	4,723,796	15.6%	N/A	N/A
6/30/2005	904,323	4,985,969	4,081,646	18.1%	N/A	N/A
6/30/2006	1,284,477	4,806,301	3,521,524	26.7%	N/A	N/A

Schedule of Employer Contributions

Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
1996	\$ 590,693	85%
1997	590,693	69%
1998	616,275	69%
1999	616,275	24%
2000	556,724	90%
2001	556,724	90%
2002	607,686	68%
2003	607,686	74%
2004	571,992	74%
2005	(123,022)	100%
2006	(163,025)	100%
2007	(121,366)	100%

Information as of the latest actuarial valuation follows:

Valuation date	6/30/2006
Actuarial cost method	Entry Age
Amortization method	Straight Line Amortization – Closed
Remaining amortization period	14 years
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases	4.0%

**CITY OF EUREKA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2007**

**NOTE 2-SCHEDULE OF FUNDING PROGRESS** - Public Employees' Retirement System (PERS)

(PERS) - Safety Plan (Risk Pool as a whole in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b-a)/c)
6/30/2003	\$ 3,577,742	\$ 4,270,574	\$ 692,832	83.8%	\$ 476,090	145.5%
6/30/2004	4,424,587	5,383,922	959,335	82.2%	575,296	166.8%
6/30/2005	5,295,150	6,367,049	1,071,899	83.2%	664,148	161.4%
6/30/2006	6,102,616	7,278,050	1,175,434	83.9%	754,730	155.7%

Public Employees' Retirement System (PERS) - Miscellaneous Plan  
(Stand Alone - in thousands)

6/30/2003	\$ 35,783	\$ 40,231	\$ 4,448	88.9%	\$ 7,154	62.2%
6/30/2004	37,468	43,976	6,508	85.2%	6,876	94.7%
6/30/2005	40,000	47,885	7,885	83.5%	6,675	118.1%
6/30/2006	42,704	52,023	9,319	82.1%	9,062	132.0%

State law authorized the creation of risk pools by PERS and required mandatory participation of small employers to help reduce large fluctuations in their contribution rates. The City of Eureka's Safety Plan is now required to participate in the risk pool. Under this pooling method, assets and liabilities of the participant employers are aggregated. As such, individual employer's retirement data is no longer available.

	<u>Police</u>	<u>Fire</u>	<u>Miscellaneous</u>
Valuation date	6/30/2004	6/30/2004	6/30/2004
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level % of Payroll	Level % of Payroll	Level % of Payroll
Remaining amortization period (closed period)	14 years	14 years	28 years
Asset valuation method	smoothed market	smoothed market	smoothed market
Actuarial assumptions			
Investment rate of return	7.75%	7.75%	7.75%
Projected salary increases	3.25-14.45%	3.25-14.45%	3.25-14.45%
Inflation	3.00%	3.00%	3.00%
Cost-of-living adjustments	none	none	none

Historical trend information about the Local Employees' Retirement System (LERS) and Public Employees' Retirement System (PERS) is presented herewith as required supplementary information. This information is intended to help users assess LERS and PERS funding status, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

**CITY OF EUREKA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2007**

**NOTE 2 - SCHEDULE OF FUNDING PROGRESS - (PERS) (Continued)**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of LERS and PERS funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system.

For additional information regarding employee retirement systems and pension plans; see Note 12.

**NOTE 3 – BUDGET TO GAAP RECONCILIATION**

The General Fund, the Housing Fund and the Low and Moderate Income Housing Special Revenue Funds use the same measurement focus and basis of accounting for budgeting and financial reporting, therefore there are no entries to adjust the budget basis actual to US GAAP basis.

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