

BASIC FINANCIAL STATEMENTS

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CITY OF EUREKA
STATEMENT OF NET ASSETS
June 30, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 10,016,613	\$ 6,449,333	\$ 16,465,946
Accounts receivable	3,611,536	1,688,440	5,299,976
Interest receivable	741,439	85,588	827,027
Prepaid items	55,108		55,108
Notes and loans receivable, net of uncollectible	9,135,069		9,135,069
Internal balances	(5,987,567)	5,987,567	
Land held for resale	4,613,178		4,613,178
Restricted cash and investments with fiscal agents	23,568	2,127,766	2,151,334
Deferred charges, net of accumulated amortization	212,862	406,481	619,343
Capital assets, not being depreciated	31,670,553	17,045,235	48,715,788
Capital assets, being depreciated, net of accumulated depreciation	44,656,572	59,926,134	104,582,706
Total Assets	<u>98,748,931</u>	<u>93,716,544</u>	<u>192,465,475</u>
LIABILITIES			
Accounts payable	1,789,866	578,165	2,368,031
Deposits payable	75,009	137,119	212,128
Accrued interest payable	189,738	342,593	532,331
Claims and judgments payable	247,522		247,522
Compensated absences, due within one year	977,060	153,398	1,130,458
Payroll and related liabilities	711,191	115,746	826,937
Bonds payable - due within one year		640,000	640,000
Capital lease obligations due within one year	231,292	255,879	487,171
Notes payable - due within one year		69,153	69,153
Noncurrent liabilities:			
Compensated absence	979		979
Bonds payable	14,778,717	15,477,693	30,256,410
Capital lease	1,282,292	2,279,849	3,562,141
Notes payable	462,513	2,267,052	2,729,565
Total Liabilities	<u>20,746,179</u>	<u>22,316,647</u>	<u>43,062,826</u>
NET ASSETS			
Invested in capital assets, net of related debt	59,572,311	59,101,682	118,673,993
Restricted for:			
Public safety	312,457		312,457
Streets and roads	1,366,470		1,366,470
Projects		2,127,767	2,127,767
Housing	14,722,787		14,722,787
Debt service	18,000		18,000
Airport	224,943		224,943
Unrestricted	1,785,784	10,170,448	11,956,232
Total Net assets	<u>\$ 78,002,752</u>	<u>\$ 71,399,897</u>	<u>\$ 149,402,649</u>

The notes to the basic financial statements are an integral part of this statement

**CITY OF EUREKA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Grants Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,635,673	\$ 656,584	\$ 1,000	\$ 34,260
Public safety	12,662,643	783,418	330,432	188,897
Community development	3,909,922	640,538	1,853,436	65,422
Culture - recreation	2,445,431	525,158		15,000
Public works	3,383,320	109,145	212,894	1,971,891
Interest on long-term debt	1,958,961			
Unallocated depreciation	2,199,036			
Total Governmental	31,194,986	2,714,843	2,397,762	2,275,470
Business-type activities:				
Water	4,377,659	4,937,339		127,651
Wastewater	5,467,779	4,916,158		
Harbor	1,165,873	650,154		
Building	593,859	512,065		
Transit	1,953,606	1,925,780		
Golf	25,800	24,015		
Total Business-Type Activities	13,584,576	12,965,511		127,651
Total	\$ 44,779,562	\$ 15,680,354	\$ 2,397,762	\$ 2,403,121

General Revenues:
Property taxes
Sales taxes
Transient occupancy tax
Utility user's tax
Business license tax
Permits and franchise tax
Investment income
Gain on sale of capital asset
Disposal of capital asset
Motor vehicle in-lieu, unrestricted
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net assets - beginning of fiscal year
Prior period adjustments
Net Assets - beginning of fiscal year, restated
Net Assets - end of fiscal year

The notes to the basic financial statements are an integral part of this statement

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,943,829)	\$ -	\$ (3,943,829)
(11,359,896)		(11,359,896)
(1,350,526)		(1,350,526)
(1,905,273)		(1,905,273)
(1,089,390)		(1,089,390)
(1,958,961)		(1,958,961)
(2,199,036)		(2,199,036)
<u>(23,806,911)</u>		<u>(23,806,911)</u>
	687,331	687,331
	(551,621)	(551,621)
	(515,719)	(515,719)
	(81,794)	(81,794)
	(27,826)	(27,826)
	(1,785)	(1,785)
	<u>(491,414)</u>	<u>(491,414)</u>
<u>(23,806,911)</u>	<u>(491,414)</u>	<u>(24,298,325)</u>
6,015,229		6,015,229
9,863,454		9,863,454
1,742,728		1,742,728
1,454,764		1,454,764
268,092		268,092
848,153		848,153
1,619,030	487,928	2,106,958
1,153		1,153
(68,860)		(68,860)
2,007,793		2,007,793
186,373	11,021	197,394
(180,710)	180,710	
<u>23,757,199</u>	<u>679,659</u>	<u>24,436,858</u>
<u>(49,712)</u>	<u>188,245</u>	<u>138,533</u>
77,949,436	71,288,487	149,237,923
103,028	(76,835)	26,193
<u>78,052,464</u>	<u>71,211,652</u>	<u>149,264,116</u>
<u>\$ 78,002,752</u>	<u>\$ 71,399,897</u>	<u>\$ 149,402,649</u>

**CITY OF EUREKA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2008**

	General	Housing	Low and Moderate Income Housing
ASSETS			
Cash and investments	\$ -	\$ 1,229,861	\$ 1,914,770
Cash and investments with fiscal agents	23,490		
Accounts receivable	2,627,550	63,440	
Interest receivable	(19,413)	12,699	22,606
Prepaid items	24,829		
Notes and loans receivable		2,069,326	7,053,369
Due from other funds	32,785	89,690	
Advances to other funds	4,571,015		
Land held for resale			
Total Assets	<u>\$ 7,260,256</u>	<u>\$ 3,465,016</u>	<u>\$ 8,990,745</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 398,281	\$ 334,494	\$ 4,988
Due to other funds	301,631		
Deposits payable	75,009		
Retainage payable	1,385		
Payroll and related liabilities	566,757	1,479	8,367
Deferred revenue	191,493	2,009,374	7,050,214
Advances from other funds	89,690		
Total Liabilities	<u>1,624,246</u>	<u>2,345,347</u>	<u>7,063,569</u>
Fund Balances:			
Reserved for parking	28,000		
Reserved for prepaid items	24,829		
Reserved for low/moderate income housing			1,927,176
Reserved for advances	4,571,015	89,690	
Reserved for land held for resale			
Reserved for debt service			
Unreserved reported in:			
General fund	1,012,166		
Special revenue funds		1,029,979	
Capital projects funds			
Debt service funds			
Total Fund Balances	<u>5,636,010</u>	<u>1,119,669</u>	<u>1,927,176</u>
Total Liabilities and Fund Balances	<u>\$ 7,260,256</u>	<u>\$ 3,465,016</u>	<u>\$ 8,990,745</u>

The notes to the basic financial statements are an integral part of this statement

Redevelopment Agency Debt Service	Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 2,047,614	\$ 154,905	\$ 1,908,556	\$ 7,255,706
		78	23,568
61,250	187,824	663,904	3,603,968
26,932	1,857	23,100	67,781
			24,829
	100,108		9,222,803
			122,475
			4,571,015
	4,613,178		4,613,178
<u>\$ 2,135,796</u>	<u>\$ 5,057,872</u>	<u>\$ 2,595,638</u>	<u>\$ 29,505,323</u>
\$ 199,964	\$ 210,985	\$ 251,231	\$ 1,399,943
		32,785	334,416
			75,009
		59,804	61,189
		9,906	586,509
	99,826	425,528	9,776,435
10,256,951			10,346,641
<u>10,456,915</u>	<u>310,811</u>	<u>779,254</u>	<u>22,580,142</u>
			28,000
			24,829
			1,927,176
			4,660,705
	4,613,178		4,613,178
		78	78
			1,012,166
		1,816,306	2,846,285
	133,883		133,883
<u>(8,321,119)</u>			<u>(8,321,119)</u>
<u>(8,321,119)</u>	<u>4,747,061</u>	<u>1,816,384</u>	<u>6,925,181</u>
<u>\$ 2,135,796</u>	<u>\$ 5,057,872</u>	<u>\$ 2,595,638</u>	<u>\$ 29,505,323</u>

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CITY OF EUREKA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENTS OF NET ASSETS
June 30, 2008

Fund balances of governmental funds \$ 6,925,181

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Funds Balance Sheet.

Capital assets	\$ 142,727,371	
Less: accumulated depreciation	<u>(66,400,246)</u>	76,327,125

Deferred charges represent costs associated with the issuance of long-term debt which are deferred and amortized over the period during which the debt is outstanding. The costs are reported as expenditures of current financial resources in the governmental funds.

Deferred charges	274,084	
Less: accumulated amortization	<u>(61,222)</u>	212,862

Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet. (189,738)

The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.

Compensated absences	(978,039)	
Net pension obligation	(89,291)	
Bonds payable	(14,778,717)	
Note payable	(462,513)	
Capital lease payable	<u>(1,513,584)</u>	(17,822,144)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. (net capital assets, capital lease payable, compensated absences payable, and accrued interest payable reported above in the amount of \$2,302,360, (\$55,602), (\$46,452) and (\$1,819) respectively.) 2,218,148

In governmental funds, other long-term assets include accounts receivable and interest receivable on taxes and accounts receivable are not available to pay for current-period expenditures, and therefore, are offset by deferred revenue.

	9,776,435	
Less allowance for uncollectible Notes Receivable	<u>(87,734)</u>	9,688,701

In governmental funds, other long-term assets are not available to pay for current-period expenditures:

Interest receivable on loans receivable		<u>642,617</u>
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Net assets of governmental activities \$ 78,002,752

The notes to the basic financial statements are an integral part of this statement

CITY OF EUREKA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2008

	General	Housing	Low and Moderate Income Housing
REVENUES			
Taxes	\$ 14,962,090	\$ -	\$ -
Licenses, permits, and fees	848,153		
Fines and penalties	409,635		
Investment income	233,081	105,476	184,214
Intergovernmental	2,244,341	833,104	
Charges for services	2,746,127	464,903	
Other revenues	178,932	3,212	32,072
Total Revenues	<u>21,622,359</u>	<u>1,406,695</u>	<u>216,286</u>
EXPENDITURES			
Current:			
General government	4,054,890		
Public safety	11,617,149		
Public works	3,030,048		
Community development	539,162	910,341	2,693,048
Culture and recreation	2,221,695		
Capital outlay	392,055		
Debt service:			
Principal payments	161,287		
Interest and fiscal charges	83,068		
Total Expenditures	<u>22,099,354</u>	<u>910,341</u>	<u>2,693,048</u>
Excess of Revenues Over (Under) Expenditures	<u>(476,995)</u>	<u>496,354</u>	<u>(2,476,762)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	392,021	9,039	1,014,287
Transfers out	(348,497)		
Sale of capital assets			
Proceeds from loans and advances	45,081		
Total Other Financing Sources (Uses)	<u>88,605</u>	<u>9,039</u>	<u>1,014,287</u>
Net Change in Fund Balances	<u>(388,390)</u>	<u>505,393</u>	<u>(1,462,475)</u>
Fund Balances, beginning of fiscal year	5,874,278	714,276	3,389,651
Prior Period Adjustments	150,122	(100,000)	
Fund Balances, beginning of fiscal year, restated	<u>6,024,400</u>	<u>614,276</u>	<u>3,389,651</u>
Fund Balances, end of fiscal year	<u>\$ 5,636,010</u>	<u>\$ 1,119,669</u>	<u>\$ 1,927,176</u>

The notes to the basic financial statements are an integral part of this statement

Redevelopment Agency Debt Service	Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 4,544,121	\$ -	\$ -	\$ 19,506,211
			848,153
			409,635
75,593	24,740	749,620	1,372,724
7,607		2,300,691	5,385,743
		117,041	3,328,071
		28,206	242,422
<u>4,627,321</u>	<u>24,740</u>	<u>3,195,558</u>	<u>31,092,959</u>
			4,054,890
		535,848	12,152,997
		25,334	3,055,382
368,573	20,036	84,130	4,615,290
			2,221,695
	1,068,565	1,001,310	2,461,930
			161,287
<u>1,138,528</u>	<u></u>	<u>678,343</u>	<u>1,899,939</u>
<u>1,507,101</u>	<u>1,088,601</u>	<u>2,324,965</u>	<u>30,623,410</u>
<u>3,120,220</u>	<u>(1,063,861)</u>	<u>870,593</u>	<u>469,549</u>
	13,200	108,608	1,537,155
(1,833,729)	(100,000)	(330,741)	(2,612,967)
		13,000	13,000
	<u>462,513</u>	<u></u>	<u>507,594</u>
<u>(1,833,729)</u>	<u>375,713</u>	<u>(209,133)</u>	<u>(555,218)</u>
<u>1,286,491</u>	<u>(688,148)</u>	<u>661,460</u>	<u>(85,669)</u>
<u>(9,607,610)</u>	<u>5,435,209</u>	<u>1,113,460</u>	<u>6,919,264</u>
		41,464	91,586
<u>(9,607,610)</u>	<u>5,435,209</u>	<u>1,154,924</u>	<u>7,010,850</u>
<u>\$ (8,321,119)</u>	<u>\$ 4,747,061</u>	<u>\$ 1,816,384</u>	<u>\$ 6,925,181</u>

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**CITY OF EUREKA
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES \$ (85,669)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated lives and reported as depreciation expense.

Capital outlay expenditures are therefore added back to fund balances	\$ 2,773,860	
Depreciation expense not reported in governmental funds	(2,970,622)	
Capital assets contributed by third parties.	449,946	
Disposal of capital asset	<u>(80,706)</u>	172,478

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the Statement of Net Assets, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal	161,287	
Initiation fee on I-Bank loan	17,000	
Amortization of deferred charges	(71,710)	
Reduction in net pension obligation	96,507	
Proceeds from loans and advances	<u>(507,594)</u>	(304,510)

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Allowance for uncollectible loans	(87,734)	
Interest payable	(708)	
Accrued interest receivable	118,773	
Compensated absences	(11,793)	
Accounts receivable	<u>839,409</u>	857,947

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.

(689,958)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (49,712)

The notes to the basic financial statements are an integral part of this statement

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2008**

ASSETS	Enterprise Funds		
	Water	Wastewater	Harbor
Current Assets:			
Cash and investments	\$ 3,264,421	\$ 2,785,563	\$ -
Cash and investments with fiscal agents	1,974,032	153,734	
Accounts receivable - net	748,362	579,020	72,851
Interest receivable	49,527	31,466	
Prepaid items			
Due from other funds	1,366,101		
Total current assets	7,402,443	3,549,783	72,851
Noncurrent Assets:			
Restricted cash and investments			
Deferred charges, net of amortization	355,478	51,003	
Advances to other funds	448,245	5,263,440	
Total noncurrent assets	803,723	5,314,443	
Capital Assets:			
Nondepreciable			
Land	1,052,115	4,720,542	5,157,957
Construction in progress	684,210	4,882,949	30,347
Total nondepreciable capital assets	1,736,325	9,603,491	5,188,304
Depreciable			
Infrastructure	9,906,433	4,655,482	
Buildings	377,026	5,810,652	4,646,614
Improvements	4,679,936	18,903,716	10,577,025
Equipment	15,991,831	32,072,985	1,116,705
Total depreciable capital assets	30,955,226	61,442,835	16,340,344
Less accumulated depreciation	(9,016,106)	(35,379,821)	(5,953,972)
Net depreciable capital assets	21,939,120	26,063,014	10,386,372
Total capital assets, net	23,675,445	35,666,505	15,574,676
Total capital and noncurrent assets	24,479,168	40,980,948	15,574,676
Total Assets	31,881,611	44,530,731	15,647,527

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ 242,780	\$ -	\$ 156,569	\$ 6,449,333	\$ 2,760,907
			2,127,766	
58,963	229,244		1,688,440	7,568
2,887		1,708	85,588	31,041
			1,366,101	30,279
<u>304,630</u>	<u>229,244</u>	<u>158,277</u>	<u>11,717,228</u>	<u>2,829,795</u>
			406,481	
			5,711,685	
			6,118,166	
		418,075	11,348,689	
		99,040	5,696,546	
		517,115	17,045,235	
			14,561,915	
		50,244	10,884,536	429,246
		243,087	34,403,764	42,399
<u>63,450</u>	<u>3,549,127</u>		<u>52,794,098</u>	<u>7,991,356</u>
63,450	3,549,127	293,331	112,644,313	8,463,001
<u>(23,830)</u>	<u>(2,128,476)</u>	<u>(215,974)</u>	<u>(52,718,179)</u>	<u>(6,160,641)</u>
<u>39,620</u>	<u>1,420,651</u>	<u>77,357</u>	<u>59,926,134</u>	<u>2,302,360</u>
39,620	1,420,651	594,472	76,971,369	2,302,360
<u>39,620</u>	<u>1,420,651</u>	<u>594,472</u>	<u>83,089,535</u>	<u>2,302,360</u>
<u>344,250</u>	<u>1,649,895</u>	<u>752,749</u>	<u>94,806,763</u>	<u>5,132,155</u>

(Continued)

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2008
 (Continued)**

LIABILITIES	Enterprise Funds		
	Water	Wastewater	Harbor
Current Liabilities:			
Accounts payable	\$ 152,544	\$ 173,210	\$ 106,589
Deposits payable	131,646		
Due to other funds			1,011,003
Accrued interest payable	187,177	37,785	117,631
Claims and judgments payable			
Notes Payable, current portion			69,153
Bonds Payable, current portion	450,000	115,000	75,000
Capital lease payable, current portion	255,879		
Compensated absences, current portion	45,279	76,324	12,345
Payroll and related liabilities	36,603	53,669	8,240
Total current liabilities	1,259,128	455,988	1,399,961
Noncurrent Liabilities:			
Capital lease payable	2,279,849		
Notes payable			2,267,052
Advances from other funds			25,749
Bonds payable	11,616,090	3,306,603	555,000
Compensated absences			
Total noncurrent liabilities	13,895,939	3,306,603	2,847,801
Total Liabilities	15,155,067	3,762,591	4,247,762
NET ASSETS			
Investment in capital assets, net of related debt	9,073,627	32,398,636	15,574,676
Restricted for projects	1,974,033	153,734	
Unrestricted	5,678,884	8,215,770	(4,174,911)
Total Net Assets	\$ 16,726,544	\$ 40,768,140	\$ 11,399,765

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ 6,342	\$ 139,480	\$ -	\$ 578,165	\$ 328,734
5,473			137,119	
	53,467		1,064,470	
			342,593	1,819
			69,153	247,522
			640,000	
			255,879	55,602
18,468	982		153,398	45,473
15,539	1,695		115,746	35,391
45,822	195,624		3,356,523	714,541
			2,279,849	
			2,267,052	
			25,749	
			15,477,693	
				979
			20,050,343	979
45,822	195,624		23,406,866	715,520
39,620	1,420,651	594,472	59,101,682	2,246,758
			2,127,767	
258,808	33,620	158,277	10,170,448	2,169,877
\$ 298,428	\$ 1,454,271	\$ 752,749	\$ 71,399,897	\$ 4,416,635

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
 For the Fiscal Year Ended June 30, 2008**

	Enterprise Funds		
	Water	Wastewater	Harbor
Operating Revenues:			
Charges for services	\$ 4,929,719	\$ 4,244,288	\$ 650,154
Other operating revenues	7,620	205,366	
Intergovernmental		466,504	
Total Operating Revenues	<u>4,937,339</u>	<u>4,916,158</u>	<u>650,154</u>
Operating Expenses:			
Purchase of water	978,256		
Maintenance and operation	1,836,663	3,503,365	432,348
Administration	116,830	185,260	89,595
Insurance costs and claims	63,792	130,428	57,177
Depreciation	687,680	1,453,928	369,284
Total Operating Expenses	<u>3,683,221</u>	<u>5,272,981</u>	<u>948,404</u>
Operating Income (Loss)	<u>1,254,118</u>	<u>(356,823)</u>	<u>(298,250)</u>
Non-Operating Revenues (Expenses):			
Investment income	334,993	127,869	
Interest expense	(694,438)	(194,798)	(217,469)
Miscellaneous revenue	11,021		
Total Non-Operating Income (Loss)	<u>(348,424)</u>	<u>(66,929)</u>	<u>(217,469)</u>
Income (Loss) Before Contributions and Transfers	905,694	(423,752)	(515,719)
Transfers in			100,000
Transfers out	(48,698)	(69,667)	(46,555)
Capital contributions	127,651		
Change in Net Assets	<u>984,647</u>	<u>(493,419)</u>	<u>(462,274)</u>
Net Assets, beginning of fiscal year	15,840,775	41,240,297	11,861,258
Prior Period Adjustments	(98,878)	21,262	781
Net Assets, beginning of fiscal year, restated	<u>15,741,897</u>	<u>41,261,559</u>	<u>11,862,039</u>
Net Assets, end of fiscal year	<u>\$ 16,726,544</u>	<u>\$ 40,768,140</u>	<u>\$ 11,399,765</u>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities- Internal Service Funds
Building	Transit	Golf	Totals	
\$ 469,865	\$ 306,255	\$ 24,015	\$ 10,624,296	\$ 2,906,069
42,200			255,186	416,302
	1,619,525		2,086,029	
512,065	1,925,780	24,015	12,965,511	3,322,371
			978,256	
521,533	1,681,793	13,898	7,989,600	2,023,076
58,320	9,403		459,408	1,185,643
7,344	27,816		286,557	1,330,214
6,662	177,880	11,902	2,707,336	353,460
593,859	1,896,892	25,800	12,421,157	4,892,393
(81,794)	28,888	(1,785)	544,354	(1,570,022)
16,588		8,478	487,928	125,246
	(56,714)		(1,163,419)	(3,604)
			11,021	14,020
16,588	(56,714)	8,478	(664,470)	135,662
(65,206)	(27,826)	6,693	(120,116)	(1,434,360)
55,630	190,000		345,630	904,142
			(164,920)	(9,040)
			127,651	465,791
(9,576)	162,174	6,693	188,245	(73,467)
308,004	1,292,097	746,056	71,288,487	4,478,660
			(76,835)	11,442
308,004	1,292,097	746,056	71,211,652	4,490,102
<u>\$ 298,428</u>	<u>\$ 1,454,271</u>	<u>\$ 752,749</u>	<u>\$ 71,399,897</u>	<u>\$ 4,416,635</u>

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2008**

	Enterprise Funds		
	Water	Wastewater	Harbor
Cash Flows from Operating Activities:			
Receipts from customers/interfund charges	\$ 5,303,323	\$ 5,065,549	\$ 665,568
Payments to suppliers and users	(2,180,729)	(2,329,371)	(307,819)
Payments to employees	(908,243)	(1,591,764)	(230,191)
Net Cash Provided (Used) by Operating Activities	<u>2,214,351</u>	<u>1,144,414</u>	<u>127,558</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers in (out)	(11,363)	(47,199)	53,445
Advances to/from other funds	(1,012,510)	2,702,355	(75,630)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,023,873)</u>	<u>2,655,156</u>	<u>(22,185)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisitions of capital assets	(951,662)	(1,366,123)	(22,882)
Interest paid	(668,636)	(150,992)	(222,561)
Principal payments - long-term debt	(670,803)	(110,000)	(42,550)
Proceeds from sale of city property	11,021		
Proceeds from capital lease	251,837		
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,028,243)</u>	<u>(1,627,115)</u>	<u>(287,993)</u>
Cash Flows from Investing Activities:			
Interest received	304,523	142,992	1,449
Net Cash Provided (Used) by Investing Activities	<u>304,523</u>	<u>142,992</u>	<u>1,449</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(533,242)	2,315,447	(181,171)
Cash and Cash Equivalents, July 1, 2007	<u>5,771,695</u>	<u>623,850</u>	<u>181,171</u>
Cash and Cash Equivalents, June 30, 2008	<u>\$ 5,238,453</u>	<u>\$ 2,939,297</u>	<u>\$ -</u>
Reconciliation of Cash and Cash Equivalents To Statement of Net Assets			
Cash and investments	\$ 3,264,421	\$ 2,785,563	\$ -
Cash and investments with fiscal agents	<u>1,974,032</u>	<u>153,734</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 5,238,453</u>	<u>\$ 2,939,297</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ 483,125	\$ 3,446,791	\$ 24,015	\$ 14,988,371	\$ 3,338,205
(196,523)	(1,533,918)	(17,743)	(6,566,103)	(3,742,410)
(385,005)	(46,103)		(3,161,306)	(915,203)
(98,403)	1,866,770	6,272	5,260,962	(1,319,408)
55,630	190,000		240,513	(9,039)
	(1,817,750)		(203,535)	831,704
55,630	(1,627,750)		36,978	822,665
	(182,306)		(2,522,973)	(369,167)
	(56,714)		(1,098,903)	(5,352)
			(823,353)	(75,862)
			11,021	
			251,837	
	(239,020)		(4,182,371)	(450,381)
13,701		6,770	469,435	134,407
13,701		6,770	469,435	134,407
(29,072)		13,042	1,585,004	(812,717)
271,852		143,527	6,992,095	3,573,624
<u>\$ 242,780</u>	<u>\$ -</u>	<u>\$ 156,569</u>	<u>\$ 8,577,099</u>	<u>\$ 2,760,907</u>
\$ 242,780	\$ -	\$ 156,569	\$ 6,449,333	\$ 2,760,907
			2,127,766	
<u>\$ 242,780</u>	<u>\$ -</u>	<u>\$ 156,569</u>	<u>\$ 8,577,099</u>	<u>\$ 2,760,907</u>

(Continued)

**CITY OF EUREKA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2008
 (Continued)**

	Enterprise Funds		
	Water	Wastewater	Harbor
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 1,254,118	\$ (356,823)	\$ (298,250)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	687,680	1,453,928	369,284
(Increase) Decrease in Operating Assets:			
Accounts receivable	365,984	149,391	15,414
Prepaid Expenses			
Increase (Decrease) in Operating Liabilities:			
Accounts payable	(101,642)	(109,985)	38,519
Compensated absences	8,211	7,903	2,591
Net Cash Provided (Used) by Operating Activities	\$ 2,214,351	\$ 1,144,414	\$ 127,558

Noncash Transactions

Borrowing under capital lease	\$ 251,837	\$ -	\$ -
Transfers of capital assets to government	(37,335)	(22,468)	
Contributions of capital assets from government	127,651		
Contribution of assets from proprietary funds			
Amortization of deferred charges	53,131	6,020	

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Building	Transit	Golf	Totals	
\$ (81,794)	\$ 28,888	\$ (1,785)	\$ 544,354	\$ (1,570,022)
6,662	177,880	11,902	2,707,336	373,457
(28,940)	1,521,011		2,022,860	(4,163) (10,279)
8,466 (2,797)	138,991	(3,845)	(29,496) 15,908	(123,750) 15,349
<u>\$ (98,403)</u>	<u>\$ 1,866,770</u>	<u>\$ 6,272</u>	<u>\$ 5,260,962</u>	<u>\$ (1,319,408)</u>

\$ -	\$ -	\$ -	\$ 251,837	\$ -
			(59,803)	
			127,651	465,791
			59,151	97,900

CITY OF EUREKA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2008

	Agency Fund	Trust Funds	
		Pension Fire and Police Pension Benefits Plan	Private-Purpose Haz/Mat Response Authority
	Trust Holding		
ASSETS			
Cash and investments	\$ 225,060	\$ 855,796	\$ 106,130
Interest receivable		9,904	1,183
Accounts receivable	62,001		1,375
Total Assets	287,061	865,700	108,688
LIABILITIES			
Accounts payable	6,816	16,229	
Deposits payable	280,245		
Total Liabilities	287,061	16,229	
Net Assets			
Held in trust for pension benefits and other purposes		849,471	108,688
Total Net Assets	\$ -	\$ 849,471	\$ 108,688

The notes to the basic financial statements are an integral part of this statement

CITY OF EUREKA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2008

	Trust Funds	
	Pension Fire and Police Pension Benefits Plan	Private-Purpose Haz/Mat Response Authority
ADDITIONS		
Contributions:		
Employer JPA members	\$ -	\$ -
Investment earnings:		
Investment income	51,771	6,041
Total Additions	51,771	74,357
DEDUCTIONS		
Public safety Benefits		60,317
Administrative expenses	479,692 7,085	
Total Deductions	486,777	60,317
Change in net assets	(435,006)	14,040
Net assets - beginning of fiscal year	1,284,477	94,648
Net assets - end of fiscal year	<u>\$ 849,471</u>	<u>\$ 108,688</u>

The notes to the basic financial statements are an integral part of this statement

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