

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF EUREKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,357,000	\$ 15,357,000	\$ 14,962,090	\$ (394,910)
Licenses, permits, and fees	809,200	809,200	848,153	38,953
Fines and penalties	244,000	244,000	409,635	165,635
Intergovernmental	2,324,951	2,354,646	2,244,341	(110,305)
Charges for services	2,675,560	2,744,777	2,746,127	1,350
Investment income	277,470	277,470	233,081	(44,389)
Other revenues	102,258	650,999	178,932	(472,067)
Total Revenues	21,790,439	22,438,092	21,622,359	(815,733)
Expenditures:				
General government-				
Council	60,815	60,815	48,792	12,023
Mayor	29,268	36,069	33,649	2,420
City Manager	349,422	349,422	351,678	(2,256)
Personnel/City Clerk	480,338	489,932	500,119	(10,187)
Finance	692,562	708,178	654,110	54,068
City Attorney	269,291	296,791	281,996	14,795
Non-departmental	2,017,743	2,182,636	2,184,546	(1,910)
Public safety-				
Police	7,820,683	8,010,950	7,424,204	586,746
Fire	4,484,242	4,730,215	4,192,945	537,270
Public works-				
Engineering	1,551,039	1,622,012	1,469,954	152,058
Maintenance	1,620,374	1,667,122	1,560,094	107,028
Community development	588,276	589,930	539,162	50,768
Culture and recreation	2,279,459	2,390,555	2,221,695	168,860
Capital outlay	260,980	473,862	392,055	81,807
Debt service -				
Principal payments	172,952	489,752	161,287	328,465
Interest and fiscal charges	83,067	130,587	83,068	47,519
Total Expenditures	22,760,511	24,228,828	22,099,354	2,129,474
Excess of revenues over (under) expenditures	(970,072)	(1,790,736)	(476,995)	1,313,741
Other Financing Sources (Uses):				
Proceeds from capital lease	138,700	162,190	45,081	(117,109)
Transfers in	350,000	350,000	392,021	42,021
Transfers out	(145,753)	(348,497)	(348,497)	
Total Other Financing Sources (Uses)	342,947	163,693	88,605	(75,088)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(627,125)	(1,627,043)	(388,390)	1,238,653
Fund Balance, beginning of fiscal year	5,874,278	5,874,278	5,874,278	
Prior Period Adjustments			150,122	150,122
Fund Balance, beginning of fiscal year, restated	5,874,278	5,874,278	6,024,400	150,122
Fund Balance, end of fiscal year	\$ 5,247,153	\$ 4,247,235	\$ 5,636,010	\$ 1,388,775

See Notes to Required Supplemental Information

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 691,000	\$ 2,359,277	\$ 833,104	\$ (1,526,173)
Investment income	38,700	38,700	105,476	66,776
Other revenues			3,212	3,212
Charges for services	311,500	311,500	464,903	153,403
	<u>1,041,200</u>	<u>2,709,477</u>	<u>1,406,695</u>	<u>(1,302,782)</u>
Total Revenues				
Expenditures:				
Current:				
Community development	1,143,050	2,848,545	910,341	1,938,204
	<u>1,143,050</u>	<u>2,848,545</u>	<u>910,341</u>	<u>1,938,204</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	<u>(101,850)</u>	<u>(139,068)</u>	<u>496,354</u>	<u>635,422</u>
Other Financing Sources (Uses):				
Transfers in	270,000	270,000	9,039	(260,961)
	<u>270,000</u>	<u>270,000</u>	<u>9,039</u>	<u>(260,961)</u>
Total Other Financing Sources				
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	168,150	130,932	505,393	374,461
Fund Balance, beginning of fiscal year	714,276	714,276	714,276	
Prior Period Adjustments			(100,000)	(100,000)
Fund Balance, beginning of fiscal year, restated	714,276	714,276	614,276	(100,000)
Fund Balance, end of fiscal year	<u>\$ 882,426</u>	<u>\$ 845,208</u>	<u>\$ 1,119,669</u>	<u>\$ 274,461</u>

See Notes to Required Supplemental Information

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 183,909	\$ 471,400	\$ 184,214	\$ (287,186)
Other revenues	32,072	32,072	32,072	-
Total Revenues	<u>215,981</u>	<u>503,472</u>	<u>216,286</u>	<u>(287,186)</u>
Expenditures:				
Current -				
Community development	2,693,048	3,238,544	2,693,048	545,496
Total Expenditures	<u>2,693,048</u>	<u>3,238,544</u>	<u>2,693,048</u>	<u>545,496</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,477,067)</u>	<u>(2,735,072)</u>	<u>(2,476,762)</u>	<u>258,310</u>
Other Financing Sources (Uses):				
Transfers in	<u>1,014,287</u>	<u>950,000</u>	<u>1,014,287</u>	<u>64,287</u>
Total Other Financing Sources (Uses)	<u>1,014,287</u>	<u>950,000</u>	<u>1,014,287</u>	<u>64,287</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,462,780)</u>	<u>(1,785,072)</u>	<u>(1,462,475)</u>	<u>322,597</u>
Fund Balance, beginning of fiscal year	<u>3,389,651</u>	<u>3,389,651</u>	<u>3,389,651</u>	
Fund Balance, end of fiscal year	<u>\$ 1,926,871</u>	<u>\$ 1,604,579</u>	<u>\$ 1,927,176</u>	<u>\$ 322,597</u>

See Notes to Required Supplemental Information

CITY OF EUREKA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2008

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

Valuation Date	Assets (a)	Entry Age (b)	AAL (UAAL)	Ratio (a/b)	Payroll (c)	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
6/30/2007	860,058	4,959,400	4,099,342	17.3%	N/A	N/A

Schedule of Employer Contributions

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%
2008	(88,525)	100%

Information as of the latest actuarial valuation follows:

Valuation date	6/30/2008
Actuarial cost method	Entry Age
Amortization method	Straight Line Amortization – Closed
Remaining amortization period	16 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, 2008

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

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

Valuation Date	Assets (a)	Entry Age (b)	AAL (UAAL)	Ratio (a/b)	Payroll (c)	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%
6/30/2007	6,826,599	7,986,055	1,159,456	85.5%	831,608	139.4%

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%	7,062	132.0%
6/30/2007	46,087	55,529	9,441	83.0%	7,863	120.1%

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.

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%
Payroll growth	3.25%	3.25%	3.25%

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, 2008

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.