Reviewed Date:	Approved:	Meeting Date:	Agenda Item:
			2.C

Executive Summary

Presented To: **Honorable Mayor/Chair and Council/Board Members**
Presented By: **Lisa Whiteside, Acting Finance Manager**
Subject: **Treasurer's Report – March 2011**
Enclosure: **Treasurer's Report**
Budget Action: **None**
Desired Action: **Council Review and Receive the Report**

Enclosed you will find the City of Hughson Treasurer's Report for March 2011. After review and evaluation of the report, I have researched the following Fund's with a deficit balance. After discussion with other management staff personnel, I submit the following detailed explanation:

The General Fund currently reflects a negative balance of ($142,641.48). The City is currently waiting to receive our allocation of property tax revenue from the County of Stanislaus. City expenditures and revenues are currently performing as projected, and consistent with our fiscal plan. The current deficit is merely a cash flow condition, which will be resolved upon receipt of revenues from the County.

The Public Facilities Development Streets Fund currently reflects a negative balance of ($1,038,598.43). The deficit is a result of the Euclid Bridge Project, which was constructed in Fiscal Year 2006/2007, for approximately $1.3 million. The project was completed in anticipation of funding from an in-coming Developer Impact Fees. Unfortunately, the housing market suffered a significant crash, and new residential home building in the City declined to a near stop. Once the economy strengthens and new building starts, we can recognize Developer Impact Fees and begin to reduce the deficit.

The Sewer **O** & M Fund currently reflects a negative balance of ($558,304.23). However, in March 2010 the fund balance was ($661,873.89). The negative fund balance has been reduced by $103,569.66, due to the previous increase in the sewer rates establish July 1, 2010. The Fund expenditures and revenues are currently performing as projected, and consistent with our fiscal planning.

The Water Developer Impact Fee Fund currently reflects a negative balance of ($1,477,837.50). The deficit condition is the result of advance funding for construction of Well #8. The City has submitted claims for reimbursement of our expenditures to the State of California Water Board. Recent communications with the State indicate that funding reimbursement for the project should be processed and received as soon as practicable.

The Transportation Capital Project Fund currently reflects a negative balance of ($326,750.24) we are currently waiting for reimbursement from the State in pending CMAQ funds, additional entries may be necessary to cover “Match” portion of expenditures.

The Miscellaneous Grants Fund currently reflects a negative balance of ($201,051.45). The deficit condition is the result of advanced funding for construction of the Fontana Park for approx $220,000 and Starn Park approx $12,000 for the projects. The City Staff was recently successful in closing both Park Grants, and the State is currently processing the reimbursement in the amount of $231,454.00. Upon receipt of the State reimbursement, the Fund deficit would be eliminated.

Recommendation:
Staff recommends the City Council review and receives the enclosed City of Hughson Treasurer's Report for March, 2011.