

**LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING**

Date: Wednesday, March 15, 2017

Time: 11:00 a.m. – Regular Meeting

Lighthouse for Children
2405 Tulare Street
Fresno, CA 93721

AGENDA

ITEM	SUBJECT	PRESENTER
1.	CALL TO ORDER	Board Member Utecht
2.	POTENTIAL CONFLICTS OF INTEREST Any Commission Member who has potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.	Board Member Utecht
3. Action Pg. 1	MINUTES FROM DECEMBER 14, 2016 BOARD MEETING Supporting Document	E. Reyes, E.D.
4. Action	APPOINTMENT OF BOARD CHAIR	E. Reyes, E.D.
5. Action Pg. 3	FINANCIAL REPORT FOR PERIOD ENDING JANUARY 2017 Supporting Document	E. Reyes, E.D.
6. Action Pg. 6	FISCAL YEAR 2016-2017 LIGHTHOUSE FOR CHILDREN, INC. PROPOSED REVISED BUDGET Supporting Document	E. Reyes, E.D.
7. Information	VALLEY CHILDREN'S HOSPITAL PARTNERSHIP UPDATE	E. Reyes, E.D. K. Price, Legal
8. Information	EXECUTIVE DIRECTOR REPORT	E. Reyes, E.D.
9. Information	PUBLIC COMMENT	Chair
10.	ADJOURNMENT	Chair

NOTE: If you need disability modification(s) and/or other accommodation(s) in order to participate in this meeting, please contact the office at (559) 558-4900 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

LIGHTHOUSE FOR CHILDREN, INC.

Board Meeting
March 15, 2017 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM 3a

RECOMMENDED ACTION:

Approve Lighthouse for Children Meeting Minutes – December 14, 2016

ACTION SUMMARY MINUTES
December 14, 2016 – 10:00 A.M.

Present: **Board Members:** Henry Perea (Chair), Hugo Morales, Stacy Sablan,

Absent: Dawan Utecht

Staff: Emilia Reyes, Ken Price (Legal Counsel)

1. CALL TO ORDER

- 2. POTENTIAL CONFLICTS OF INTEREST:** Any Board Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.

None heard

3. MINUTES FROM OCTOBER 28, 2016 BOARD MEETING

Public Comment: None heard.

Motion by: Sablan

Second by: Morales

Ayes: Perea, Morales, Sablan

Noes: None heard.

4. FINANCIAL REPORT FOR PERIOD ENDING OCTOBER 2016

Public Comment: None heard.

Motion by: Sablan

Second by: Morales

Ayes: Perea, Morales, Sablan

Noes: None heard.

5. CONSENT OF REPRESENTATION BY LEGAL COUNSEL– POTENTIAL CONFLICT

Public Comment: None heard.

Motion by: Sablan
Ayes: Perea, Morales, Sablan
Noes: None heard.

Second by: Morales

6. MEMORANDUM OF UNDERSTANDING WITH VALLEY CHILDREN'S HOSPITAL FOR PROJECT ON LIGHTHOUSE FOR CHILDREN, INC. PROPERTY

Public Comment: None heard.

Motion by: Sablan
Ayes: Perea, Morales, Sablan
Noes: None heard.

Second by: Morales

7. PUBLIC COMMENT

Public Comment: None heard.

No Action Required.

8. ADJOURNMENT

LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING

Regular Business Meeting
March 15, 2017 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO.5

TO: Lighthouse for Children Board Members
FROM: Emilia Reyes, Executive Director
SUBJECT: Financial Report for Period Ending January 2017

RECOMMENDED ACTION:

Accept the Financial Report for period ending January 31, 2017.

BACKGROUND:

This item is intended to keep the Board apprised of the Lighthouse for Children, Inc.'s (LFC) financial activity as of January 31, 2017, and to provide an opportunity to discuss and review financial activities for the reporting period. In a separate agenda item, to be presented during this meeting, staff is recommending a revision to the budget in order to reflect more accurate projections for the remainder of the fiscal year.

KEY POINTS:

Below are the key points of the Financial Report for period ending January 31, 2017.

Revenues (59%)

- Fund Balance (103%) – This amount represents the actual carryover balance from the preceding fiscal year according to the FY 2015- 2016 financial audit.

Expenses (16%) – Operating expenses are lower than projected for this period due to the following:

- Administrative Contract (0%) – A contract is in place with First 5 Fresno County to provide services and to fulfill all administrative responsibilities necessary for day-to-day operations for LFC. This contract will be paid out at the conclusion of the fiscal year.
- Tenant Improvements (3%) – Expenses are expected to be paid in full by the end of the fiscal year when construction is scheduled to be completed. *This line item is subject to revision to adjust for the remainder of the fiscal year.*
- Insurance & Taxes (44%) – Audit expenses have been paid in full. Additional legal expenses are expected to be paid in the remainder of the fiscal year. *This line item is subject to revision to adjust for the remainder of the fiscal year.*
- Professional Services (111%) – This budget line item includes legal services and audit services. *This line item is subject to revision to adjust for the remainder of the fiscal year.*

- New Market Tax Credit (NMTC) Payments (56%) – Quarterly NMTC payments have been made according to schedule. *This line item is subject to revision to adjust for the remainder of the fiscal year.*

FISCAL IMPACT:

In a separate agenda item, to be presented during this Board meeting, staff is recommending a revision to the FY 2016-2017 budget in order to account for the actuals from the FY 2015-2016 financial audit and the Board approved contribution from the First 5 Fresno County Commission. Additionally, the revisions to the budget will reflect more accurate projections for the remainder of the fiscal year.

**LIGHTHOUSE FOR CHILDREN
FINANCIAL STATEMENT
JANUARY 2017 (58%)**

Revenues

	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>	<u>Percent Variance</u>
	<u>07/01/16-06/30/17</u>	<u>07/01/16-01/31/17</u>		
Fund Balance as of July 1, 2016	\$250,000	\$256,341	(\$6,341)	103%
Annual Rent Income	\$148,000	\$86,333	\$61,667	58%
Grants & Contracts	\$184,000	\$0	\$184,000	0%
Total Revenues	<u>\$582,000</u>	<u>\$342,674</u>	<u>\$239,326</u>	<u>59%</u>

Expenses

	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>	<u>Percent Variance</u>
Operating Expenses				
Administrative Contract	\$25,000	\$0	\$25,000	0%
Tenant Improvements (3rd Floor)	\$422,000	\$13,257	\$408,743	3%
Insurance & Taxes	\$17,000	\$7,537	\$9,463	44%
Professional Services	\$8,000	\$8,908	(\$908)	111%
NMTC Interest Payments	\$110,000	\$61,438	\$48,562	56%
Total Operating	<u>\$582,000</u>	<u>\$91,140</u>	<u>\$490,860</u>	<u>16%</u>

LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING

Regular Business Meeting
March 15, 2017 – 11:00 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO.6

TO: Lighthouse for Children Board Members
FROM: Emilia Reyes, Executive Director
SUBJECT: Fiscal Year 2016-2017 Lighthouse for Children, Inc.'s Proposed Revised Budget

RECOMMENDED ACTION:

Approve the Lighthouse for Children, Inc.'s Fiscal Year (FY) 2016-2017 Proposed Revised Budget.

REASON FOR RECOMMENDED ACTION:

The overall purpose of the budget is to implement the resources of the Lighthouse for Children Inc. (LFC) to support First 5 Fresno County's strategic plan and to allocate funds designed to positively impact young children and their families receiving services at the Lighthouse for Children facility. On September 7, 2016, the Board approved the LFC FY 2016-2017 Budget. A modification to the FY 2016-2017 Approved Budget is recommended due mainly to reflect actual construction costs for the remainder of the fiscal year. The proposed revisions include:

Revenue

- Fund Balance - With the completion of the annual financial audit, as of June 30, 2016, the Lighthouse for Children, Inc. has a fund balance of \$256,341 resulting from carryover from the 2015-2016 fiscal year.
- Tenant Improvement Contribution - On October 28, 2016, First 5 Fresno County, the master lease holder of the Lighthouse for Children facility, in place of the originally approved contribution of \$184,000 from their contingency fund, modified their total contribution to the 3rd Floor Tenant Improvement project to \$395,000. The revenue line item will reflect this change.

Expenses

- Tenant Improvements (3rd Floor) - On October 28, 2016, the LFC Board accepted the bid from BVI Construction Inc. for General Contractor services for the tenant improvements to the third floor of the facility and awarded an amount not to exceed \$630,500 for the project. The expense line item has been adjusted to this amount.
- Insurance & Taxes - A precise estimate for the facility's property insurance premium was obtained, allowing for a reduction to the Insurance & Taxes line item by \$2,000. This expense line item now stands at \$15,000.
- Professional Services - This line item includes audit and legal expenses. Staff is recommending an increase to this line item by \$3,341 to account for anticipated legal

expenses given that legal counsel will be needed at future board meetings. This line item will be adjusted to \$11,341.

- New Market Tax Credit (NMTC) Interest Payments - This line item is for quarterly NMTC interest payments for the Lighthouse for Children, Inc. project. Staff recommends an increase to this line item by \$7,500 to total \$117,500 to account for an unforeseen NMTC interest expense that took place after the budget was approved in September 2016.

FISCAL IMPACT:

With the approval of the FY 2016-2017 Proposed Revised Budget, the Lighthouse for Children, Inc. will utilize the accurate projections to continue to make acceptable and allowable financial decisions.

FUTURE IMPLICATIONS:

The FY 2016-2017 Proposed Revised Budget provides a financial framework to allocate funds and cover operational costs for Lighthouse for Children, Inc. If approved, staff will reference the revised budget to inform sound decision-making for the remainder of the fiscal year.



**2016-2017
PROPOSED
REVISED
BUDGET**

Updated: March 2017

2405 Tulare St.
Fresno, CA 93721

(559) 558-4900

LIGHTHOUSE FOR CHILDREN, INC.

2016 - 2017

REVISED BUDGET

REVENUE	Original Budget Amount	Proposed Revised Budget Amount	Variance
Fund Balance as of June 30, 2016	\$250,000	\$256,341	\$6,341
Annual Rent Income	\$148,000	\$148,000	\$0
Total Revenue	\$398,000	\$404,341	\$6,341
Contributed Income			
Tenant Improvement Contribution	\$184,000	\$395,000	\$211,000
Individual Donor	\$0	\$0	\$0
Total Contributed Income	\$184,000	\$395,000	\$211,000
TOTAL INCOME	\$582,000	\$799,341	\$217,341
EXPENSES	Original Budget Amount	Proposed Revised Budget Amount	Variance
Operating Expense			
Administrative Contract	\$25,000	\$25,000	\$0
Tenant Improvements (3rd Floor)	\$422,000	\$630,500	\$208,500
Insurance & Taxes	\$17,000	\$15,000	(\$2,000)
Professional Services	\$8,000	\$11,341	\$3,341
NMTC Interest Payments	\$110,000	\$117,500	\$7,500
Total Operating Expenses	\$582,000	\$799,341	\$217,341
TOTAL EXPENSES	\$582,000	\$799,341	\$217,341
Net Income	(\$0)	\$0	\$0