

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

Date: Wednesday, May 31, 2017

Time: 11:15 a.m. – Regular Meeting

Lighthouse for Children
2405 Tulare Street
Fresno, CA 93721

AGENDA

ITEM	SUBJECT	PRESENTER
1.	CALL TO ORDER	Chair Pacheco
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.	Chair Pacheco
3. Action Pg. 1	MINUTES FROM MARCH 15, 2017 BOARD MEETING Supporting Document	E. Reyes, E.D.
4. Action Pg. 3	FINANCIAL REPORT FOR PERIOD ENDING APRIL 2017 Supporting Document	E. Reyes, E.D.
5. Action Pg. 5	FISCAL YEAR 2017-2018 LIGHTHOUSE FOR CHILDREN, INC. PROPOSED BUDGET Supporting Document	E. Reyes, E.D.
6. Information	PUBLIC COMMENT	Chair Pacheco
7.	ADJOURNMENT	Chair Pacheco

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
May 31, 2017 – 11:15 a.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 3

RECOMMENDED ACTION:

Approve Lighthouse for Children Meeting Minutes – March 15, 2017

ACTION SUMMARY MINUTES
March 15, 2017 – 11:00 A.M.

Present: **Board Members:** Brian Pacheco (Chair), Stacy Sablan, Dawan Utecht,

Absent: Hugo Morales

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 DECEMBER 14, 2016 BOARD MEETING

Public Comment: None heard.

Motion by: Sablan

Second by: Utecht

Ayes: Pacheco, Sablan, Utecht

Noes: None heard.

4. APPOINTMENT OF BOARD CHAIR

Commissioner Utecht moved to appoint Supervisor Pacheco to be Chair of the Lighthouse for Children, Inc. Board.

Public Comment: None heard.

Motion by: Utecht

Second by: Sablan

Ayes: Pacheco, Sablan, Utecht

Noes: None heard.

5. FINANCIAL REPORT FOR PERIOD ENDING JANUARY 2017

Public Comment: None heard.

Motion by: Utecht
Ayes: Pacheco, Sablan, Utecht
Noes: None heard.

Second by: Sablan

6. FISCAL YEAR 2016-2017 LIGHTHOUSE FOR CHILDREN, INC. PROPOSED REVISED BUDGET

Public Comment: None heard.

Motion by: Utecht
Ayes: Pacheco, Sablan, Utecht
Noes: None heard.

Second by: Sablan

7. VALLEY CHILDREN'S HOSPITAL PARTNERSHIP UPDATE

Public Comment: None heard.

No Action Required.

8. EXECUTIVE DIRECTOR REPORT

Emilia Reyes, Executive Director gave the following updates:

On March 30, 2017, a community forum will be held with a variety of early childhood health services professionals to gather input and seek guidance on the services to be offered as part of the Lighthouse for Children's phase #2 in partnership with Valley Children's Hospital.

March 2017 marks the two-year anniversary of the Lighthouse for Children and Emilia thanked the Board for their support in the last two years.

Construction activities continue in the third floor and completion is anticipated by June 30th, 2017.

9. PUBLIC COMMENT

None heard.

No Action Required.

10. ADJOURNMENT

LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING

Regular Business Meeting
May 31, 2017 – 11:15 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO.4

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

RECOMMENDED ACTION:

Accept the Financial Report for period ending April 30, 2017.

BACKGROUND:

This item is intended to keep the Board apprised of the Lighthouse for Children, Inc.'s (LFC) financial activity as of April 30, 2017, and to provide an opportunity to discuss and review financial activities for the reporting period.

KEY POINTS:

Below are the key points of the Financial Report for period ending April 30, 2017.

Revenues (97%)

- Grants & Contracts (100%) – The contract between LFC and First 5 Fresno County was made effective March 1, 2017 and funds have been received.

Expenses (39%) – Operating expenses are lower than projected for this period due to the following:

- Administrative Contract (0%) – The contract in place with First 5 Fresno County to provide services and to fulfill all administrative responsibilities necessary for day-to-day operations for LFC, will be paid out at the conclusion of the fiscal year.
- Tenant Improvements (30%) – Expenses are expected to be paid in full by the end of the fiscal year when construction is scheduled to be completed.

FISCAL IMPACT:

Overall, expenses have been anticipated and are within budget constraints for fiscal year 2016 – 2017.

**LIGHTHOUSE FOR CHILDREN
FINANCIAL STATEMENT
APRIL 2017 (83%)**

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>07/01/16-04/30/17</u>		
Fund Balance as of July 1, 2016	\$256,341	\$256,341	\$0	100%
Annual Rent Income	\$148,000	\$123,333	\$24,667	83%
Grants & Contracts	\$395,000	\$395,000	\$0	100%
Total Revenues	\$799,341	\$774,674	\$24,667	97%

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)	\$630,500	\$188,462	\$442,038	30%
Insurance & Taxes	\$15,000	\$12,865	\$2,135	86%
Professional Services	\$11,341	\$8,908	\$2,433	79%
NMTC Interest Payments	\$117,500	\$102,078	\$15,422	87%
Total Operating	\$799,341	\$312,312	\$487,029	39%

LIGHTHOUSE FOR CHILDREN, INC.

**Board Meeting
May 31, 2017 – 11:15 a.m.**

**2405 Tulare Street
Fresno, CA 93721**

AGENDA ITEM NO.5

TO: Lighthouse for Children Board Members
FROM: Emilia Reyes, Executive Director
SUBJECT: Fiscal Year 2017 – 2018 Lighthouse for Children, Inc. Proposed Budget

RECOMMENDED ACTION:

Approve the Lighthouse for Children, Inc. Fiscal Year (FY) 2017 – 2018 Proposed Budget.

BACKGROUND:

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 LFC facility.

Key Points of the Proposed Budget:

Revenues

The FY 2017-2018 Proposed Budget includes rent revenue from the Master Lease Holder, First 5 Fresno County, for \$148,000.

Fund Balance

Staff is projecting a zero beginning balance.

Staff recommends the continued allocation of these revenues for facility and administrative expenses as outlined in the Cost Analysis portion of the budget.

FISCAL IMPACT:

An approved FY 2017-2018 budget is necessary for the LFC to make acceptable and allowable financial decisions.

FUTURE IMPLICATIONS:

The FY 2017-2018 Proposed Budget provides a financial framework to allocate funds and cover costs associated with maintaining the Lighthouse for Children, Inc.



2017-2018 PROPOSED BUDGET

**2405 Tulare St.
Fresno, CA 93721**

**LIGHTHOUSE FOR CHILDREN, INC.
FY2017-2018 PROPOSED BUDGET SUMMARY**

Revenue	
Fund Balance	\$0
Annual Rent Income	\$148,000
Donations	\$0
Total Revenue	\$148,000
Expenses	
Administrative Contract	\$10,500
Insurance & Taxes Expense	
Insurance Expense	\$7,682
Taxes Expense	\$8,000
Insurance & Taxes Sub-total	\$15,682
Professional Services Expense	
Legal Services	\$4,278
Auditing Services	\$5,500
Professional Services Sub-total	\$9,778
New Market Tax Credit (NMTC) Expense	\$112,040
Total Expenses	\$148,000
Net Income	\$0

**DETAIL BUDGET LINE ITEMS
COST ANALYSIS AND JUSTIFICATION**

OPERATING EXPENSES

Administrative Contract	Proposed Amount
Justification/Calculations:	
<p>The Lighthouse for Children, Inc. (LFC) has an administrative services agreement in place with the Children and Families Commission of Fresno County (First 5 Fresno County) for services of day-to-day administrative operations such as bookkeeping, maintaining records, processing payments, procuring necessary services/goods for LFC's operation, etc. Services are paid for when rendered. Anticipated expenses for services in fiscal year (FY) 2017-2018 through this agreement are \$10,500.</p>	\$10,500

Insurance & Taxes Expense	Proposed Amount																																																												
Justification/Calculations:																																																													
<p>The Lighthouse for Children, Inc. (LFC) is required to carry insurance for Special Property Insurance Program (SPIP) and Directors and Officers policy (D&O) insurance. A 10% increase from the FY 2016-2017 amounts is recommended by the insurance broker for both coverages. Additionally, the LFC will be re-procuring for an accounting firm to prepare and file the required 990 tax form. Anticipated costs are outlined below. Property taxes are paid to the County of Fresno based on the rates provided by the Fresno County Assessor's Office.</p>	\$15,682																																																												
<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>FY 2016-2017 Amount</u></th> <th style="width: 5%;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Increase</u></th> <th style="width: 5%;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>FY 2017-2018</u></th> </tr> </thead> <tbody> <tr> <td colspan="6"><u>Insurance Expenses</u></td> </tr> <tr> <td style="padding-left: 20px;">SPIP Annual Premium</td> <td style="text-align: right;">\$4,500</td> <td style="text-align: center;">x</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$4,950</td> </tr> <tr> <td style="padding-left: 20px;">D&O Annual Premium</td> <td style="text-align: right;">\$2,484</td> <td style="text-align: center;">x</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$2,732</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Insurance Sub-total</td> <td style="text-align: right; border-top: 1px solid black;">\$7,682</td> </tr> <tr> <td colspan="6"><u>Tax Expenses</u></td> </tr> <tr> <td style="padding-left: 20px;">990 Form Preparation Fee</td> <td style="text-align: right;">\$5,000</td> <td style="text-align: center;">x</td> <td style="text-align: center;">0%</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$5,000</td> </tr> <tr> <td style="padding-left: 20px;">Parcel Tax Assessment</td> <td style="text-align: right;">\$3,000</td> <td style="text-align: center;">x</td> <td style="text-align: center;">0%</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$3,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Tax Sub-total</td> <td style="text-align: right; border-top: 1px solid black;">\$8,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Insurance & Taxes Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$15,682</td> </tr> </tbody> </table>		<u>FY 2016-2017 Amount</u>		<u>Increase</u>		<u>FY 2017-2018</u>	<u>Insurance Expenses</u>						SPIP Annual Premium	\$4,500	x	10%	=	\$4,950	D&O Annual Premium	\$2,484	x	10%	=	\$2,732					Insurance Sub-total	\$7,682	<u>Tax Expenses</u>						990 Form Preparation Fee	\$5,000	x	0%	=	\$5,000	Parcel Tax Assessment	\$3,000	x	0%	=	\$3,000					Tax Sub-total	\$8,000					Insurance & Taxes Total	\$15,682	
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Professional Services Expense	Proposed Amount										
Justification/Calculations:											
<p>The Lighthouse for Children, Inc. (LFC) contracts with outside professional contractors for legal and auditing services. LFC procured for auditing services for a total of four years with an option to renew, based on performance, for an additional three years. Fees for these services will remain the same throughout the term of the contract. Fewer board meetings are anticipated resulting in an potential decrease in expenses for legal services.</p>	\$9,778										
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NMTC Expenses	Proposed Amount																								
Justification/Calculations:																									
<p>The Lighthouse for Children, Inc. (LFC) was formed through the New Market Tax Credit Program (NMTC) to obtain financing assistance for the construction of the LFC facility. Based on the financing structure and the agreement between the LFC and the NMTC investors, quarterly payments are issued to pay back the loan. The NMTC investors include two Community Development Entities (CDE). NMTC expenses include CDE filings, tax preparation, and audit.</p>	\$112,040																								
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**LIGHTHOUSE FOR CHILDREN, INC.
TWO YEAR BUDGET HISTORY**

REVENUE	FY16/17 BUDGET AMOUNT	FY16/17 PROJECTED ACTUALS	FY17/18 PROPOSED BUDGET
Fund Balance	\$256,341	\$256,341	\$0
Annual Rent Income	\$148,000	\$148,000	\$148,000
Tenant Improvement Contribution	\$395,000	\$395,000	\$0
Donations	\$0	\$0	\$0
TOTAL INCOME	\$799,341	\$799,341	\$148,000
EXPENSES			
Administrative Contract	\$25,000	\$11,770	\$10,500
Tenant Improvement Construction (3rd Floor)	\$630,500	\$630,500	\$0
Insurance & Taxes	\$15,000	\$15,000	\$15,682
Professional Services	\$11,341	\$10,550	\$9,778
NMTC Expenses	\$117,500	\$131,521	\$112,040
TOTAL EXPENSES	\$799,341	\$799,341	\$148,000
Net Income	\$0	\$0	\$0