



Board Meeting November 19th 6:30 PM

Location
Sonrisas San Mateo Conference Room
430 N. El Camino Real, San Mateo

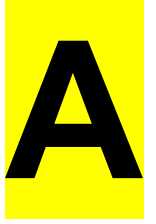
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AGENDA

1. 6:30 CALL TO ORDER AND ROLL CALL – Vice Chair Sánchez
2. 6:35 MISSION MOMENT – CEO Fecher
3. 6:40 PUBLIC COMMENTS TABS
4. 6:40-6:50 APPROVAL OF OCTOBER 1ST BOARD MINUTES AND NOVEMBER 2ND BOARD RETREAT MINUTES– Vice Chair Sánchez A
5. 6:50-7:15 STRATEGIC PLAN FY23-FY25
 - A. Sonrisas Culture
 - B. Sustainable Growth
 - a. FQHC Pathways Project Update – CEO Fecher
 - C. Community and Patient Engagement
6. 7:15-7:25 Financial Audit APPROVAL REQUESTED – CFO Yee B
7. 7:25-7:40 Board Nominating Committee – Director Hinshelwood C
 - A. Review of committee recommendations for Board Officer Term Limits
 - B. Bylaw Revision Implementing Term Limits– APPROVAL REQUESTED
8. 7:40-7:55 REPORTS D
 - A. CEO Report – CEO Fecher
 - B. CFO Report – CEO Yee
 - a. September and October 2024 Profit and Loss, Balance Sheet, Dashboards E
 - C. Fundraising Report – Spandan Chakrabarti F
 - D. Outreach Report– Dr. Bonnie Jue G
 - E. Quality Committee Report – Director Kneoppel
 - F. Board Nomination Committee – Director Hinshelwood
9. 7:55-8:00 SUGGESTED AGENDA ITEMS FOR NEXT MEETING – Vice Chair Sánchez
10. ADJOURN





Board Meeting October 1st 6:30 PM

Location
Sonrisas San Mateo Conference Room
Zoom Teleconference

MINUTES

1. **CALL TO ORDER AND ROLL CALL – Vice Chair Sánchez** called the meeting to order at 6:30 pm.
 - A. **Present:** Vice Chair Henry Sánchez, Secretary Clyde Hinshelwood, Board Members: Larry Cappel, Larissa Cutler, Dennis Kneepel, Rick Navarro, Paramita Roy, Steve Stielstra
 - B. **Also Present:** CEO Tracey Fecher, CFO Vickie Yee, Community Resources Director Spandan Chakrabarti, Administrative Assistant Veronica Le
 - C. **Absent:** Nigel Taverner, Larissa Cutler

[Chair Nigel Taverner joined the meeting at 6:32 pm.]

2. **MISSION MOMENT – Spandan Chakrabarti** shared an overview and stories about the success of the 10th annual Cooking for a Cause event, in particular highlighting that the new Practice Manager, Noemi Arauz-Smith, volunteered for the event as well as recruiting her son and friend to volunteer. **Chair Taverner** thanked the board members for their contributions to a successful event.
3. **REPORT OUT ON AUGUST 20TH CLOSED SESSION – Chair Taverner** reported the closed session on August 20th reviewed the CEO's performance and goals for FY23-24. Board members unanimously agreed it was an excellent year for **CEO Fecher**. The Board congratulated her on achieving her goals and believes this work will be a foundation for a successful FY24-25.
 - A. The Board approved an annual salary increase and awarded a bonus.
 - B. **CEO Fecher** thanked the board.
4. **PUBLIC COMMENTS**—There were no public in attendance.
5. **APPROVAL OF AUGUST 7TH AND AUGUST 20TH BOARD MINUTES**

Director Rick Navarro moved to approve the minutes of the August 7th's and August 20th's meeting. Director Dennis Kneepel seconded the motion and was approved by roll call. Ayes: Nigel Taverner, Henry Sánchez, Clyde Hinshelwood, Larry Cappel, Dennis Kneepel, Rick Navarro, Paramita Roy, Steve Stielstra.

6. **STRATEGIC PLAN FY23-FY25**
 - A. Sonrisas Culture—There were no updates.
 - B. Sustainable Growth
 - a. FQHC Pathways Project Update – **CEO Fecher** gave updates on each partner Sonrisas is in conversation with: SMMC, Ravenswood and Samaritan House.
 - b. Cooking for a Cause Update – Mr. Chakrabarti shared the event goals were met—in attendance and revenue.
 1. 191 guests were registered, 95% attended.
 2. The revenue target was \$189,000. The total revenue is expected to be over \$200K.
 3. Net revenue is 93% higher than last year.

4. There were 48 guests who donated to Sonrisas for the first time at the event.
5. Mr. Chakrabarti shared positive feedback from guests and vendors about the venue, program, engagement of the guests and the overall atmosphere of the event.
6. He also shared areas that did not work as well: The live auction came in lower than budget and less than last year; the program went too long; there were AV issues with the venue staff; the volunteer chefs weren't able to socialize during the event due to the location of the cooking area.
7. Board directors commented on what worked well: the auctioneer from 2 years ago was great; the shuttle was easy to take; parking at the venue was not easy; having the family that was highlighted in the video attend was fantastic; perhaps there could be more Sonrisas history during the slideshow during cocktail hour.

C. Community and Patient Engagement—No updates.

7. **November Board Retreat – Chair Taverner** shared with the Board a draft of the agenda for the Board retreat, which will primarily focus on the FQHC Pathways Project.

8. REPORTS

- A. **CEO Report – CEO Fecher** asked for the Board's advice on an issue with higher-than-expected increase in rates for TriNet's medical benefits.
 - a. The team is planning to increase the employer contribution by 9%.
 - b. **CEO Fecher** will consult with **Director Cappel** offline.
- B. **CFO Report – CEO Yee** updated the Board on how the visit volume has affected the financials year to date.
- C. **Fundraising Report –** No comments or questions.
- D. **Outreach Report–** No comments or questions.
- E. **Quality Committee Report – Director Kneappel** gave an update on the progress made by the Quality Committee.
- F. **Board Nomination Committee – Director Hinshelwood** shared that the new bylaws to set term limits for board officers were not on the agenda for approval today because they needed to be reviewed by Sonrisas' attorney first. They will be on the November board meeting agenda for approval.

9. SUGGESTED AGENDA ITEMS FOR NEXT MEETING

- A. Date of November Board Meeting (November 19th or 26th)
 - a. November 19th was decided by those in attendance.

10. **ADJOURN—**The meeting is adjourned at 7:50 pm.



Sonrisas Board Retreat Minutes

November 2, 2024

Oceana Hotel and Spa, 280 Capistrano Rd, Half Moon Bay

- **Present:** Board Chair Taverner, Vice Chair Henry Sanchez, Secretary Clyde Hinshelwood, Board Members: Larissa Cutler, Dennis Kneepel, Rick Navarro, Paramita Roy, Steve Stielstra
- **Also Present:** CEO Tracey Fecher, CFO Vickie Yee, PHCD CEO Ana Pulido, Dental Director Dr. Torrey Rothstein, Community Engagement Director Dr. Bonnie Jue, COO Prasanthi Patel, Community Resources Director Spandan Chakrabarti, Facilitator Eric Ryan, Administrative Assistant Veronica Le, Facilitator Eric Ryan
- **Absent:** Board Member: Larry Cappel

Planned Retreat Outcomes

- Confirmation of Sonrisas' current strategic priorities and how the strategic plan is being executed
- Board alignment regarding the FQHC pathway partners
- Even stronger working relationships among the board and staff

Meeting Minutes

- **Arrive and Settle In**—The meeting started at 9:05 am.
- **Welcome** – CEO Fecher and Chair Taverner welcomed the Board members, PHCD leaders and Sonrisas Leaders who were in attendance. Chair Taverner noted that Sonrisas is in the third year of the strategic plan, which was launched July 2021.
 - Chair Taverner thanked Ms. Le for arranging the venue for this year's retreat.
 - Introductions of all in attendance were made.
- **Overview of the Day** – Eric Ryan reviewed the retreat's agenda.
- **Overview of our Current Strategy**
 - **Highlights/Accomplishments (in first two years) and Revised Three Year Focus Area Visions** – CEO Fecher shared the accomplishments in each focus area and thanked the champions for making great progress. For each focus area in the FY25 plan, the staff have revised the focus area visions, which define what success looks like.
 - **Focus Area 1: Sonrisa's Culture**
 - Accomplishments: Many goals have been met around Staff Wellness, Learning and Development, and Internal collaboration. The team adjusted the goals after Year 1 (FY22) from wellness to staff appreciation.
 - Revised focus area vision: Staff wellness has transitioned fully to staff connections. Staff leadership and development, internal communications and improved clinical operations and workflow are key to success in this focus area. With the DEIJ Business Case priority being Human Capital, the team believes that this vision supports improvements in clinical and administrative staff job satisfaction.
 - **Focus Area 2: Sustainable Growth**
 - Accomplishments: Growth in the number of FQHC visits for Medi-Cal dental patients along with conversations with 4 potential FQHC partners are the successes around patient revenue. Fundraising has grown by 25% with improvements in all areas of fundraising.
 - Revised focus area vision: In the area of patient revenue, the team will continue to explore, manage and come to decisions about current and future partners. In fundraising, the team will replace institutional funding, complete a successful capital campaign and continue the growth in the major donor program.
 - **Focus Area 3: Patient and Community Engagement**
 - Accomplishments: The Quality Committee was established, Outreach programs tripled, and an Outreach data management system was implemented.
 - Revised focus area vision: A fully built out Quality Committee and the Outreach Program achieving billable revenue and the systems required for growth are key to success in this focus area.
 - It was acknowledged the immense work put into accomplishing each focus areas' goals.

- **FQHC Pathways Project.**
 - Note: This project refers to Sonrisas acquiring an FQHC reimbursement rate for most patient visits, NOT necessarily that Sonrisas becomes an FQHC
 - CEO Fecher gave a brief overview of the project.
 - History and Progress –
 - The timeline and accomplishments for the strategic plan, FQHC requirements and learnings, and progress with the four partners engaged to date were reviewed.
 - The meeting paused to take a break.
 - **FQHC Pathways Project (continued)**
 - The decisions made at the strategic planning session in April 2021 were reviewed along with CEO Fecher’s perspective on different partners and pathways.
 - There is no “best” pathway for Sonrisas. All have pros and cons.
 - The lens to review partnerships, budget implications of each and how that partnership would support Sonrisas’ vision/mission, was discussed.
 - There were presentations on four potential partners and the type of contract relationship (subcontracting, subrecipient and others) for each partnership. The discussion included the pros and risks for each along with the potential impact on Sonrisas.
 - Current Status, Risks, and the Potential Impact on the Clinic(s) and Key Partners were reviewed.
 - The meeting paused to take a 1-hour lunch break.
 - **FQHC Pathways Project (continued)**
 - Discussion about the partners continued after lunch.
 - **FQHC Pathways Five-year Cash Forecast Scenarios**— There was a review and conversations about three different forecast scenarios based different potential percentages of FQHC funded visits.
 - The scenarios reminded the board and team of the importance of the FQHC Pathways Project. Without a partnership, Sonrisas will exhaust cash reserves.
 - There was a discussion that without a partner, Sonrisas will need to revise its business model.
 - CEO Fecher will revise the Confidential FQHC Pathways Dashboard sent to the board monthly to have clear timelines. The goal is to have decisions on different partners within a year or sooner.
 - The meeting paused to take a break.
 - **Clarifying and Confirming our Strategic Plan Priorities and Goals**
 - The strategic plan will no longer be called a three-year plan that is completed in FY25. It will become a rolling plan.
 - The current focus areas still match the strategic needs of the organization. They will be changed with staff and board input as needed.
 - Goals for the focus areas will continue to be defined and tracked by the staff.
- [Director Cutler left the meeting at 3:20 pm.]
- **Wrap Up and Next Steps**
 - Eric led a discussion outlining the decisions made and action items from the retreat.
 - CEO Fecher thanked members who attended the retreat. She is grateful for their dedication to Sonrisas’ success and continued support of the mission.
 - CEO Fecher is thankful to Dr. Torrey, Dr. Bonnie, Prasanthi, Spandan, and Veronica for attending.
 - The board thanked CEO Fecher in return for her preparations for a successful retreat.
 - The board members also thanked Eric Ryan for facilitating the board retreat again.
 - **Adjourn**—The meeting was adjourned at 3:41 pm.





Audited Financial Statements

**SONRISAS
DENTAL HEALTH, INC.**

June 30, 2024 and 2023

Audited Financial Statements

SONRISAS DENTAL HEALTH, INC.

June 30, 2024

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JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Report of Independent Auditors

Board of Directors
Sonrisas Dental Health, Inc.
San Mateo, California

Opinion

We have audited the accompanying financial statements of Sonrisas Dental Health, Inc. (the Agency), a non profit organization, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2024 and 2023, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note A, the Agency is a component unit of the Peninsula Health Care District (the District). The financial statements present only the Agency and do not purport to, and do not, present fairly the financial position of the District, as of June 30, 2024 and 2023, the changes in its financial position and cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

JW7 & Associates, LLP

Fresno, California
October 15, 2024

Statements of Financial Position

SONRISAS DENTAL HEALTH, INC.

	June 30,	
	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 949,873	\$ 598,017
Investments	1,051,862	1,015,925
Patient accounts receivable, net of allowances	277,081	458,589
Grant and other receivables	490,072	326,819
Prepaid expenses and other current assets	<u>32,409</u>	<u>53,537</u>
Total current assets	2,801,297	2,452,887
Property and equipment, net of accumulated depreciation	748,427	905,793
Other assets	<u>16,297</u>	<u>16,297</u>
Total assets	<u>\$ 3,566,021</u>	<u>\$ 3,374,977</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 81,974	\$ 122,163
Accrued payroll and related liabilities	184,189	311,056
Unearned revenues	<u>19,720</u>	<u>24,622</u>
Total current liabilities	285,883	457,841
Debt borrowings	<u>3,664</u>	<u>5,603</u>
Total liabilities	289,547	463,444
Net assets:		
Net assets without donor restrictions	3,276,474	2,911,533
Net assets with donor restrictions	<u> </u>	<u> </u>
Total net assets	<u>3,276,474</u>	<u>2,911,533</u>
Total liabilities and net assets	<u>\$ 3,566,021</u>	<u>\$ 3,374,977</u>

Statements of Operations

SONRISAS DENTAL HEALTH, INC.

	Year Ended June 30,	
	<u>2024</u>	<u>2023</u>
Revenues, gains and other support:		
Dental service - net patient revenues	\$ 3,388,784	\$ 2,921,728
Other operating revenues, gains and other support:	<u>22,456</u>	<u>5,736</u>
Total revenues, gains and other support	3,411,240	2,927,464
Expenses:		
Salaries and wages	3,722,270	3,188,833
Employee benefits	513,039	405,320
Community service programs	134,510	153,537
Professional fees and registry	343,037	113,723
Supplies	355,405	353,610
Purchased services	290,794	207,472
Utilities and phone	73,873	139,101
Lease expense	41,808	41,808
Insurance	28,714	29,515
Depreciation and amortization	298,182	288,027
Interest		22,759
Other operating expenses	<u>91,946</u>	<u>107,172</u>
Total expenses	<u>5,893,578</u>	<u>5,050,877</u>
Net (loss) from operations	(2,482,338)	(2,123,413)
Non-operating revenues:		
Investment income	49,794	6,992
Interfund transfers	800,000	900,000
Grants, contributions and other	<u>1,997,485</u>	<u>1,176,820</u>
Total non-operating revenues	<u>2,847,279</u>	<u>2,083,812</u>
Excess of revenues over expenses	<u>\$ 364,941</u>	<u>\$ (39,601)</u>

Statements of Changes in Net Assets

SONRISAS DENTAL HEALTH, INC.

	Year Ended June 30,	
	<u>2024</u>	<u>2023</u>
Changes in Net Assets without Donor Restrictions		
Net assets without donor restrictions at the beginning of the year	\$ 2,911,533	\$ 2,801,569
Excess of revenues over expenses	364,941	(39,601)
Contributions released from donor restriction		<u>149,565</u>
Net assets without donor restrictions at the end of year	<u>\$ 3,276,474</u>	<u>\$ 2,911,533</u>
Changes in Net Assets with Donor Restrictions		
Net assets with donor restrictions at the beginning of the year		\$ 149,565
Contributions received with donor restrictions		
Contributions released from donor restriction		<u>(149,565)</u>
Net assets with donor restrictions at the end of the year	<u>\$</u>	<u>\$</u>

Statements of Cash Flows

SONRISAS DENTAL HEALTH, INC.

	Year Ended June 30,	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net loss from operations	\$ (2,482,338)	\$ (2,123,413)
Adjustments to reconcile changes in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Depreciation and amortization	298,182	288,027
Net changes in District allocations and other	800,000	900,000
Changes in operating assets and liabilities:		
Patient accounts receivable, net of allowances	181,508	(137,409)
Grant and other receivables	(163,253)	138,635
Prepaid expenses and other current assets	21,128	(39,151)
Accounts payable and accrued expenses	(40,189)	11,940
Accrued payroll and related liabilities	(126,867)	(78,633)
Unearned revenues	<u>(4,902)</u>	<u>(7,443)</u>
Net cash (used in) operating activities	(1,516,731)	(1,047,447)
Cash flows from noncapital financing activities:		
Net assets released from restriction		149,565
Grants, contributions and other	<u>1,997,485</u>	<u>1,176,820</u>
Net cash provided by noncapital financing activities	1,997,485	1,326,385
Cash flows from capital and related financing activities:		
Purchases of property and equipment and other	(140,816)	(184,340)
Repayment of debt borrowings	(1,939)	(1,805)
Net changes in other assets		
Net cash (used in) investing activities	<u>(142,755)</u>	<u>(186,145)</u>
Cash flows from investing activities:		
Net change in restricted cash		
Investment income	<u>49,794</u>	<u>6,992</u>
Net cash provided by (used in) investing activities	<u>49,794</u>	<u>6,992</u>
Net increase (decrease) in cash and cash equivalents	387,793	99,785
Cash, cash equivalents and investments at beginning of year	<u>1,613,942</u>	<u>1,514,157</u>
Cash, cash equivalents and investments at end of year	<u>\$ 2,001,735</u>	<u>\$ 1,613,942</u>

See accompanying notes and auditors' report

SONRISAS DENTAL HEALTH, INC.

June 30, 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Sonrisas Dental Health, Inc. (the Agency) is in the business of providing dental care and oral health education to all residents in the San Mateo County, California area. The Agency is incorporated under California law, and is considered a non-profit organization. Patients include low income adults and children, people with disabilities, seniors, and others lacking access to dental care, as well as patients with insurance and self-pay.

The Agency operates two dental facilities, both located in San Mateo County, and was previously doing business as Apple Tree Dental California, Inc. In the fiscal year 17/18, the Peninsula Health Care District (the District) appointed the voting majority of the Agency and provided financial support to provide the dental services. The Agency is a component unit of the District. The financial statements of the Agency present only net assets, changes in net assets and cash flows of the Agency. They do not purport to, and do not present fairly, the financial position and changes in net position of the District as of June 30, 2024 and 2023.

Basis of Accounting and Presentation: The accounting policies and financial statements of the Agency generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants (AICPA). The financial statements are presented in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of dental care services are reported as operational revenues and expenses. Net assets of the Agency are described below. Net assets of the Agency and changes within those net asset categories are exhibited in the statements of changes in net assets.

- **Net assets without donor restrictions** - Net assets without donor restrictions represent those resources of the Agency that are not subject to donor-imposed stipulations. Limits on these net assets are broad limits resulting from the nature of the Agency and the purposes specified in its articles of incorporation and bylaws, if any.
- **Net assets with donor restrictions** - Net assets with donor restrictions represent contributions that are subject to donor-imposed restrictions that can be fulfilled by actions of the Agency pursuant to those stipulations or by the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of operations as net assets released from donor restrictions. Donor restricted contributions whose restrictions expire during the same fiscal year are recognized as revenue without donor restrictions. As of June 30, 2024, the Agency has no recorded net assets with donor restrictions.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents: Cash and cash equivalents include investments in highly liquid debt instruments, when present, with an original maturity of three months or less or subject to withdrawal upon request. The Agency routinely invests its surplus operating funds in interest-bearing funds such as highly liquid obligations, mutual funds and money market accounts.

Investments: Investments in money market funds, mutual funds, debt and equity securities are measured at fair value in the statement of financial position. Investment income or losses (including realized gains and losses on investments, interest and dividends), net of investment expenses, are considered nonoperating revenues and exhibited in the statement of operations unless the income or loss is restricted by donor, by law or by trust agreements. Unrealized gains and losses on investments are included in the excess of expenses over revenues in the statement of operations.

Patient Accounts Receivable: Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The Agency manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectibility and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in these footnotes.

Patient accounts receivable are recorded at amounts that reflect the consideration to which the Agency expects to be entitled in exchange for providing patient care. In evaluating the collectability of patient accounts receivable, the Agency regularly analyzes its past history and identifies and reviews trends for each of its major sources of revenue to estimate appropriate and sufficient price concessions reflected in patient accounts receivable.

For receivables associated with services provided to patients who have third-party coverage, the Agency analyzes contractually due amounts and provides additional implicit and explicit price concessions, if necessary, based upon historical collection history for deductibles and co-payments on accounts for which the third-party payer had not yet paid, or for remaining payor balances.

For receivables associated with self-pay patients, which include both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill, the Agency records a significant implicit price concession in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is reflected as a reduction in patient accounts receivable.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment: Property and equipment are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 8 to 30 years for land improvements, 5 to 40 years for buildings and improvements, and 3 to 10 years for equipment. Interest cost incurred on borrowed funds, net of related interest earnings, is capitalized during periods of construction of capital assets as a component of acquiring those assets.

Gifts of property and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit donor-imposed restrictions that specify how the assets are to be used, and gifts of cash or other assets that the donor stipulates must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets: As required by the Statement of Financial Accounting Standards (SFAS) no. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of*, the Agency reviews long-lived assets for impairment whenever the circumstances or events indicate that the carrying amount of the asset may not be fully recoverable. If the sum of the expected future cash flows (undiscounted and without interest charges) from an asset to be held and used in operations is less than the carrying value of the asset, an impairment loss is recognized. Based upon this analysis, there were no adjustments to the carrying value of long-lived assets in 2024 and 2023.

Other Assets: Other assets consist of rent deposits being held with the lessor of the properties being rented by the Agency. These deposits amounted to \$16,297 and \$16,297 as of June 30, 2024 and 2023, respectively.

Compensated Absences: The Agency's employees earn paid-time-off (PTO) benefits at varying rates depending on years of service. PTO benefits can accumulate up to specified maximum levels. Employees are paid for PTO accumulated benefits if they leave either upon termination or separation. Accrued PTO liabilities as of June 30, 2024 and 2023 were \$93,915 and \$83,588, respectively.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition: Dental services - net patient revenue is reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payers (including health insurers and government programs), and others and include variable considerations for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Agency bills the patients and third-party payers several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Revenue from government grants and contracts restricted for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Grants and contracts awarded for the acquisition of long-lived assets are reported as capital grants and contributions revenue, in absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as deferred revenue.

Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. The Agency reports gifts of cash and other assets as support with donor restrictions if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of operations as net assets released from donor restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements. Absent donor-imposed restrictions, the Agency records donated services, materials, and facilities as support without donor restrictions. It is the policy of the Agency to encourage contributions.

Capital grants and contributions consist of grants and contributions or resources that are restricted by the grantors or donors for capital asset purposes-to acquire, construct or renovate capital assets associated with the restricted purpose. Capital grants and contributions are recorded as increases to net assets with donor restrictions when cash is received in advance of acquisition of capital assets. Capital grants and contributions are released and recognized into net assets without restrictions when capital assets are acquired and/or placed in service.

Dental Service - Net Patient Revenues: The Agency has agreements with third party payors that provide for payments to the Agency at amounts different from its established rates. Payment arrangements include prospectively determined rates per day, discharge or visit, reimbursed costs, discounted charges and per diem payments. Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third party payors and others including estimated retroactive adjustments under reimbursement agreements with third party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)

Charity Care: The Agency accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Agency. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the Agency does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

Donor-Restricted Gifts and Contributions: Unconditional promises to give cash and other assets to the Agency are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are generally reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the amount originally set aside as a net assets with donor restrictions is transferred to the net assets without donor restrictions and recorded in the proper manner to reflect the donor's intention. In the absence of donor restrictions, contributions are considered to be available for unrestricted use. All revenue is recognized in the period when the contribution, pledge or unconditional promise to give is received. The Agency considers unrestricted contributions as non-operating revenues and are a component of the statement of operations.

Excess of Revenues over Expenses: The statement of operations includes excess of revenues over expenses which is a combination of both operating and non-operating results for the year. Changes in net assets without donor restrictions which are included in excess of revenues, gains and other support over expenses include unrealized gains and losses on certain investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Income Taxes - The Agency is a non-profit organization formed under the laws of the State of California. The Agency has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code by the United States of America's Internal Revenue Service (IRS) and under similar codes by the State of California. Accordingly, no provision for income taxes is included in the accompanying financial statements. The tax years of 2021 through 2024 remain open and subject to examination by the appropriate government agencies of the United States and the State of California.

Statements of Cash Flows: For purposes of the statements of cash flows, all highly liquid investments with original maturities of three months or less are considered to be cash equivalents. Cash paid for interest expense during the years ended June 30, 2024 and 2023 were \$-0- and \$22,759, respectively.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE B - DENTAL SERVICE - NET PATIENT REVENUES

The Agency charges all patients equally based on an established pricing structure for the services rendered (gross charges). The Agency has agreements with third party payors that provide for payments to the Agency at amounts different from its gross charges. These difference in payments from gross charges are referred to as contractual allowances, a component of deductions from revenue. Other deductions from revenue include provisions for bad debts, charity and uncompensated care, and various other administrative adjustments.

The net result between the gross charges and the deductions from revenue are considered to be net patient service revenues. Dental service - net patient revenues for the years ended June 30, 2024 and 2023, summarized by payor type and payment arrangements with major third-party payors, are as follows:

	<u>2024</u>	<u>2023</u>
Commercial insurance and PPO	21%	20%
Public dental insurance	67%	66%
FQHC and affordable scale	11%	13%
Self pay and other	<u>1%</u>	<u>1%</u>
Dental service - gross patient revenues	100%	100%
Less deductions from revenue and related allowances	<u>(53%)</u>	<u>(52%)</u>
Dental service - net patient	<u>47%</u>	<u>48%</u>

Performance obligations are determined based on the nature of the services provided by the Agency. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Agency believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Agency has elected to apply the optional exemption provided in FASB ASC Topic 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Agency determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Agency's discount policy, and implicit price concessions provided to uninsured patients. The Agency determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Agency determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE B - NET PATIENT SERVICE REVENUES (continued)

Effective with the adoption of ASU 2014-09, for changes in credit issues not assessed at the date of service, such as a payor files for bankruptcy or a patient defaults on a payment plan, the Agency recognizes these write-offs as bad debt expense, which is presented on the accompanying statements of operations as a component of net patient service revenues.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Agency's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Agency. In addition, the contracts the Agency has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Agency's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits.

NOTE C - CONCENTRATION OF CREDIT RISK

Patient Accounts Receivable: The Agency grants credit without collateral to its patients and third party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the Agency and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the Agency. Concentration of patient accounts receivable at June 30, 2024 and 2023 are as follows:

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE C - CONCENTRATION OF CREDIT RISK (continued)

	<u>2024</u>	<u>2023</u>
Commercial insurance and PPO	19%	18%
Public dental insurance	60%	59%
FQHC and affordable scale	7%	8%
Self pay and other	<u>14%</u>	<u>15%</u>
Gross patient accounts receivable	<u>100%</u>	<u>100%</u>

Financial Instruments: Financial instruments, potentially subjecting the Agency to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in two bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the all banks with which the Agency does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the investments are spread among several different types of equities, mutual funds, closed-end funds, exchange-traded products, and cash and cash alternatives within several different nationally recognized investment firm.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2024 and 2023 were comprised of the following:

	Estimated Useful Life	<u>2024</u>	<u>2023</u>
Building improvements	5-30	\$ 1,212,105	\$ 1,309,200
Furniture and fixtures	3-10	117,651	134,796
Equipment	3-7	1,525,303	1,484,532
Vehicles	3-5	<u>48,361</u>	<u> </u>
		2,903,420	2,928,528
Less accumulated depreciation and amortization		<u>(2,154,993)</u>	<u>(2,022,735)</u>
		<u>\$ 748,427</u>	<u>\$ 905,793</u>

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE E - DEBT BORROWINGS

As of June 30, 2024 and 2023 the Agency only has minor debt borrowings related to a capitalized lease in the amount of \$3,664 and \$5,603. Future principal payments on debt borrowings during the succeeding five years are considered minor. The Agency was in compliance with related debt covenants as of June 30, 2024 and 2023.

NOTE F - FUNCTIONAL EXPENSES

The Agency provides general health care services to residents within its geographic location. The method used to arrive at the functional expense allocation is derived either from direct allocations or from general cost reporting principles which basically serves to categorize expenses as those directly related to patient care and those considered to be general and administrative in support of patient care services. Functional expenses as of June 30, 2024 are as follows:

	<u>Dental Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 2,791,703	\$ 930,567		\$ 3,722,270
Employee benefits	384,779	128,260		513,039
Community service programs			\$ 134,510	134,510
Professional fees	164,030	179,007		343,037
Supplies	309,790	45,615		355,405
Purchased services	199,168	91,626		290,794
Utilities and phone	48,018	25,855		73,873
Lease expense	27,175	14,633		41,808
Insurance	10,429	18,285		28,714
Depreciation and amortization	193,819	104,363		298,182
Other operating expenses	<u>59,765</u>	<u>32,181</u>		<u>91,946</u>
Total expenses	<u>\$ 4,188,676</u>	<u>\$ 1,570,392</u>	<u>\$ 134,510</u>	<u>\$ 5,893,578</u>

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE F - FUNCTIONAL EXPENSES (continued)

Functional expenses as of June 30, 2023 are as follows:

	<u>Dental Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 2,391,625	\$ 797,208		\$ 3,188,833
Employee benefits	303,990	101,330		405,320
Community service programs			\$ 153,537	153,537
Professional fees	54,379	59,344		113,723
Supplies	308,225	45,385		353,610
Purchased services	142,100	65,372		207,472
Utilities and phone	90,416	48,685		139,101
Lease expense	27,175	14,633		41,808
Insurance	10,720	18,795		29,515
Depreciation and amortization	187,218	100,809		288,027
Interest	14,793	7,966		22,759
Other operating expenses	<u>69,662</u>	<u>37,510</u>		<u>107,172</u>
Total expenses	<u>\$ 3,600,303</u>	<u>\$ 1,297,037</u>	<u>\$ 153,537</u>	<u>\$ 5,050,877</u>

NOTE G - FAIR VALUE OF ASSETS AND LIABILITIES

Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, requires the fair value of financial assets and liabilities to be determined using a specific fair value hierarchy. The objective of the fair value measurement of financial instruments is to reflect the hypothetical amounts at which the Center could sell assets and or transfer liabilities in an orderly transaction between market participants at the measurement date. FASB ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;

Level 3: Unobservable inputs for the assets or liabilities that are supported by little or no market activity and that are significant to the fair value of the underlying assets or liabilities.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE G - FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the Agency's statement of financial position, as well as the classification pursuant to the valuation hierarchy.

Financial Instruments: Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 instruments include a variety of financial instruments as listed below. There are no Level 2 or Level 3 types within the statement of financial position of the Agency. The following table summarizes the financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2024:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money market funds	\$ 69,132	\$ 69,132		
U. S. treasury notes	894,915	246,672	\$ 648,243	
Corporate equities	29,527		29,527	
Foreign equities	<u>58,250</u>	<u>58,250</u>		
Totals of financial instruments	<u>\$ 1,051,824</u>	<u>\$ 374,054</u>	<u>\$ 677,770</u>	

The following table summarizes the financial instruments measured at fair value on a recurring basis in accordance with FAS 157 as of June 30, 2023:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money market funds	\$ 40,201	\$ 40,201		
U. S. treasury notes	720,791	720,791		
Corporate bonds	232,873	232,873		
Mutual funds	<u>22,060</u>	<u>22,060</u>		
Totals of financial instruments	<u>\$ 1,015,925</u>	<u>\$ 1,015,925</u>		

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE H - COMMITMENTS AND CONTINGENCIES

Operating Leases: The Agency leases various equipment and facilities under operating leases expiring at various dates through various future dates. Total building and equipment rent expense for the year ended June 30, 2024 and 2023 were \$41,808 and \$41,808, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2024, that have initial or remaining lease terms in excess of one year, are considered minor.

Litigation: The Agency may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2024 will be resolved without material adverse effect on the Agency's future financial position, results from operations or cash flows.

Medical Malpractice Claims: The Agency purchases professional and general liability insurance to cover medical malpractice claims under a "claims-made" policy. There are no known incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted in the future arising from services already provided to patients as of June 30, 2024 and 2023.

Compliance with Laws and Regulations: The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, and reimbursement for patient services under Medicare and Medicaid fraud and abuse regulations. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed and collected. Management believes that the Agency is in compliance with fraud and abuse laws and regulations as well as other applicable government requirements. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

NOTE I - INFORMATION REGARDING LIQUIDITY AND AVAILABILITY OF RESOURCES

The Agency regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal as itemized in the table presented below. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities of providing health care services as well as the conduct of services undertaken to support those activities, to be general expenditures.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE I - INFORMATION REGARDING LIQUIDITY AND AVAILABILITY OF RESOURCES (ctd.)

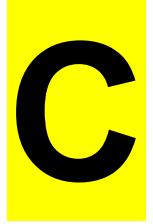
The Agency strives to maintain liquid financial assets sufficient to cover at least 30 days of expenditures. The Agency's policy is that excess cash on hand is invested in investment instruments with liquidity requirements to enable Agency usage of those assets within a short time period. The following table reflects the Agency's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 949,873	\$ 598,017
Investments	1,051,862	1,015,925
Patient accounts receivable, net of allowances	277,081	458,589
Other receivables	<u>490,072</u>	<u>326,819</u>
Total financial assets	2,768,888	2,399,350
Less reduction of financial assets not available for general expenses	<u>-0-</u>	<u>-0-</u>
Total financial assets available for one year of general expenses	<u>\$ 2,768,888</u>	<u>\$ 2,399,350</u>

In addition to financial assets available to meet general expenditures over the next 12-month period, the Agency operates a balanced budget and anticipates collecting sufficient dental service revenue to cover general expenditures not covered other assets such as those that may be limited as to use and/or donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Agency's cash flows generated by operations for the fiscal years 2024 and 2023.

NOTE J - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through October 15, 2024, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.



**AMENDED AND RESTATED BYLAWS
OF
SONRISAS DENTAL HEALTH, INC.
A CALIFORNIA PUBLIC BENEFIT CORPORATION**

**ARTICLE 1
OFFICES**

SECTION 1.1 PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in San Mateo County, California.

SECTION 1.2 CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

SECTION 1.3 OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the board of directors may, from time to time, designate.

**ARTICLE 2
PURPOSE**

SECTION 2.1

The primary objectives and purposes of this corporation shall be to establish and maintain health clinics providing dental services and education for underserved residents of San Mateo County through clinics operated in various locations to include: 1) the Coastside area including the area extending from Montara at the northern end to the Santa Cruz County line on the southern end; and 2) the bayside area in and around the city of San Mateo and particularly within the areas served by the Peninsula Health Care District and the Sequoia Health Care District.

The corporation shall take no action that is inconsistent with the Articles of Incorporation.

**ARTICLE 3
MEMBERSHIP**

SECTION 3.1 Sonrisas Dental Health, Inc. shall have no members as defined in Section 5056 of the California Nonprofit Public Benefit Corporation Law.

**ARTICLE 4
BOARD OF DIRECTORS**

SECTION 4.1 POWERS

Subject to the provisions of the California Nonprofit Corporation law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors of the Corporation

(the “**Board**”). Directors shall have no power as individual directors and shall act only as members of the Board.

SECTION 4.2. NUMBERS

The authorized number of directors shall be nine (9).

SECTION 4.3 APPOINTMENT

Peninsula Health Care District, a political subdivision of the State of California (“**PHCD**”) shall have the right to appoint five (5) of the nine (9) directors. The four (4) directors not appointed by PHCD shall be elected by action of the directors who were not appointed by PHCD. Appointments or elections to fill expiring terms shall be made at the Board’s annual meeting.

SECTION 4.4 ELECTION AND TERMS OF OFFICE

Each director shall be appointed or elected for a term of three (3) years and shall hold office until a successor has been appointed or elected and qualified. Notwithstanding the foregoing and the provisions of Section 4.3, new directors may be appointed or elected at any time to fill vacancies in accordance with this Article 4, including PHCD’s appointment rights. If a director is appointed or elected at a time other than the annual meeting, his or her term shall be calculated starting from the date of the most recent annual meeting.

SECTION 4.5 DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all executive, Board appointed officers of the corporation;
- (c) Supervise all executive officers of the corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these Bylaws;
- (e) Register their addresses with the Secretary of the corporation and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

SECTION 4.5 COMPENSATION

Directors shall, in their capacity as directors, serve without compensation except that they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties. Any Director who is an officer may be compensated in that capacity, with the approval of a majority of the remaining Directors.

SECTION 4.6 RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons, or as to any transaction where a board member is deemed to be interested, the interested director shall not vote or otherwise act on such matter and the transaction shall be approved by disinterested directors and otherwise in compliance with applicable California law.

Board approved February 17, 2022

SECTION 4.7 RESIGNATION

A director may resign at any time by giving written notice to the chair of the board or the Secretary or the Board. Any resignation shall take effect upon receipt of notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, affirmative acceptance shall not be necessary. If the resignation specifies a later effective date, a successor may be elected prior to such effective date to take office when the resignation becomes effective.

SECTION 4.8 VACANCIES

A vacancy in the Board shall be deemed to exist in the event that the actual number of directors is less than the established number for any reason. If a vacancy is created by a director who was appointed by PHCD, the vacancy shall be filled by PHCD appointing the replacement. All other vacancies may be filled by the approval of the Board in accordance with Section 4.3 above, or, if the number of directors then in office is less than a quorum, by 1) unanimous written consent of the directors then in office, 2) a vote of the majority of the directors then in office at a meeting or 3) a sole remaining director. Each director elected or appointed to fill a vacancy shall hold office for the unexpired portion of the term or until his or her death, resignation or removal from office. The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony or been found by a final order of judgment of any court to have breached any duty under Section 5230 under the Nonprofit Corporation Law.

SECTION 4.9 REMOVAL

A director may be removed from office at any time with or without cause by a vote of a majority of the directors.

SECTION 4.10 BOARD COMMITTEES

The Board may, by a resolution of a majority of the directors then in office, create and appoint directors to one or more Board Committees, each consisting of two or more directors and only of directors, to serve at the pleasure of the Board. Board committees may be given off the authority of the Board, subject to the limitations specified on Section 5212 of the Nonprofit Corporation Law. The Board may at any time revoke or modify any or all of the authority delegated to the Board Committee. Non Directors may attend meeting of the Board committees with the prior knowledge of the Board. The Board shall create an audit committee if required by the California Nonprofit Integrity Act of 2004.

SECTION 4.11 ADVISORY COMMITTEES

The Board may create and appoint individuals to one or more Advisory Committees, each consisting of two or more directors, non-directors or a combination of directors and non-directors. Advisory Committees may not exercise the authority of the Board to make decisions on behalf of the Corporation. Advisory Committees shall be restricted to making recommendations to the Board or Board Committees and implementing Board or Board committee decisions and policies under the supervision and control of the Board or Board committees. The Board, at any time, may revoke or modify any or all of the authority delegated to the Advisory Committee.

SECTION 4.12 ADVISORY BOARD

The Board may create and appoint individuals to an Advisory Board, consisting of persons who are not officers or directors of the Corporation, to serve at the pleasure of the Board and to report its findings and recommendations on subjects of interest to the Board. Any such Advisory Committee shall act only in an advisory capacity to the Board, shall have no legal authority to act for the Corporation, and shall clearly be titled and held out as an "advisory board." The Board may, at any time, revoke or modify any or all of the authority delegated to the Advisory Board.

SECTION 4.13 CONFLICT OF INTEREST POLICY

The Board shall adopt a Conflict of Interest Policy that requires directors, officers and key employees to disclose interests that constitute or could result in a conflict of interest. The Conflict of Interest Policy shall also specify, in accordance with Sections 5233 and 5234 of the Nonprofit Corporation Law, the steps that must be taken by the Board to approve a decision or transaction that involves an actual or apparent conflict of interest. The Board shall regularly and consistently monitor and enforce compliance with the Conflict of Interest Policy.

ARTICLE 5 MEETINGS

SECTION 5.1 REGULAR MEETINGS

Regular meetings of Directors shall be held at dates, times and places as determined by the Board.

Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply:

- a). Each director participating in the meeting can communicate with all of the other directors concurrently;
- b) Each director is to provide the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation;
- c) The corporation adopts and implements some means of verifying 1) that all persons participating in the meeting are directors of the corporation or are otherwise entitled to participate in the meeting, and 2) that all actions of, or votes by, the board are taken and cast only by directors and not by persons who are not directors.

SECTION 5.2 ANNUAL MEETINGS

An annual meeting of the Board shall be held each year in January and will coincide with one of the regular meetings. At the annual meeting, every (3) three yearson-even-years, there will be an election of officers. Officers shall be elected for (3) three-two-year terms. Candidates receiving the most votes shall be elected. Each director will cast one vote.

SECTION 5.3 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chair of the Board, the Treasurer, or by any two directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

SECTION 5.4 NOTICE OF MEETINGS

All meeting notifications will adhere to the Ralph M. Brown Act.

“Regular Meetings” are subject to 72-hour posting requirements. Notices and Agendas will be posted to the corporation’s website and also to the PHCD website and in a location accessible to the public 24-hours a day.

“Special Meetings” can be called by the presiding officer or majority of the body to discuss only discrete items on the agenda under the Brown Act’s notice requirements for special meetings and are subject to 24-hour posting requirements.

“Emergency Meetings” can be called when prompt action is needed due to actual or threatened disruption of the facilities and are held with little notice.

“Adjourned Meetings” are regular or special meetings that have been adjourned or re-adjourned to a time and place specified in the order of adjournment, with no agenda required for regular meetings adjourned for less than five calendar days as long as no additional business is transacted.

“Closed Session Meetings” can be called in compliance with the Ralph M. Brown Act

SECTION 5.5 QUORUM

A quorum shall consist of four (5) directors to include at least one director who was not appointed by PHCD.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum, as herein defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the board.

SECTION 5.6 VOTING

The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in these Bylaws or as provided by Section 5211 of State of California Nonprofit Corporation Law.

Except as otherwise provided in these Bylaws or by law no business shall be considered by the Board at any meeting at which a quorum is not present although discussion may take place. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

SECTION 5.7 CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chair, or, if no such person has been so designated or, in his or her absence, Secretary or Treasurer or other Director shall preside over the meeting.

SECTION 5. TELEPHONE AND ELECTRONIC MEETINGS

Directors may participate in a meeting through use of conference telephone or electronic video screen communication. Such participation constitutes presence in person at that meeting so long as all members participating in the meeting are able to hear one another. Teleconferencing and electronic meetings will comply with the Brown Act requirements, as applicable to the Board of Directors’ meetings.

ARTICLE 6 OFFICERS

SECTION 6.1 OFFICERS

The officers of the corporation shall be a Chair of the Board, a Vice Chair, a Chief Executive Officer (“CEO”), a Secretary, a Chief Financial Officer who shall be designated the Treasurer, and a Dental Director. The Chair of the Board and the Vice Chair each must be a director, and the other officers may or may not be directors. The Corporation may also have such other officers as may be determined by the Board. One person may hold two or more offices, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair of the Board. The Dental Director need not be a director.

Section 6.2 ELECTION AND TERMS OF OFFICERS

The Board Chair and Vice-Chair shall be elected at an annual meeting and shall serve one three-year term. If the Secretary, Treasurer, and/or Dental Director are Board members, they shall be elected at the same annual meeting for a three-year term.

The Chief Executive Officer shall be appointed by and serve at the pleasure of the Board, subject to the rights, if any, in his/her contract of employment.

To ensure a broad range of experience and exposure to different aspects of the Corporation’s operations, Board members are encouraged to undertake different officer positions and committee appointments after serving one term. Further, diversification in leadership roles is important to the stability, growth, and innovation within the Corporation. The Board shall consider these principles in electing new officers.

6.2.1 BOARD SUCCESSION

The Vice-Chair is designated as the successor to the Chair. In the event of the Chair’s resignation, removal, or inability to serve, the Vice-Chair shall serve as the Chair for the remainder of the original term and the Board shall elect a new Vice-Chair for the balance of the three-year term.

It is expected that the Chair will serve one three-year term and then be succeeded by the Vice-Chair. If the Vice Chair has assumed the position of Chair due to the resignation, removal, or inability of the Chair to serve, the Vice-Chair may complete the original three-year term and be eligible to serve a full three-year term. However, this succession process is subject to the Board’s overriding duty to elect the most-qualified person as Chair for the full-three-year term. SECTION-6.2 ELECTION, AND TERM OF OFFICE

~~The officers of the Corporation shall be elected bi-annually by the Board at the annual meeting and shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of any officer under employment.~~

SECTION 6.3 RESIGNATION

Any officer may resign at any time by giving written notice to the Board of Directors or to the Chair or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

SECTION 6.4 REMOVAL

An officer may be removed from office with or without cause by the Board or by an officer on whom such power of removal may be conferred by the Board.

SECTION 6.5 VACANCIES

A vacancy in any office for any reason shall be filled by the Board.

SECTION 6.6 DUTIES OF THE CHAIR OF THE BOARD

The Chair of the Board shall, if present, preside at all meetings of the board and shall be an ex-officio member of all board committees. The Chair shall serve as official representative of the Board of Directors and shall oversee the activities of the Board. The Chair shall exercise and perform such other powers and duties as may be prescribed by these Bylaws or by the Board.

SECTION 6.7 DUTIES OF VICE CHAIR

In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice Chair shall perform all the duties of the Chair, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chair. The Vice Chair shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors. [When the Board Chair's term ends, the Vice-Chair will be presented on the slate of officers for election as Board Chair.](#)

SECTION 6.8 DUTIES OF SECRETARY

The Secretary shall keep or cause to be kept a full and complete record of the proceedings of the Board and its committees, shall give cause or cause to be given notice of all Board meetings as required by law or by these Bylaws, and in general shall exercise and perform such other powers and duties as may be prescribed by these Bylaws or by the Board. The Secretary shall at all reasonable times exhibit to any director of the Corporation or to his agent or attorney on request the By-Laws and the minutes of the proceedings of the Corporation.

SECTION 6.9 DUTIES OF TREASURER

The Treasurer shall be the Chief Financial Officer of the Corporation. The Treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct books and records of account. The Treasurer shall give or cause to be given to the directors such financial statements and reports as are required to be given by law, and as may be prescribed by these Bylaws or by the Board. The books of accounts shall be open to inspection by any director upon request at all reasonable times. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as designated by the Board, shall render to the Chief Executive Officer and Board, upon request, an account of the Treasurer's transactions as Treasurer and of the financial condition of the Corporation and shall exercise and perform such other powers and duties as may be prescribed by these Bylaws or by the Board.

SECTION 6.10 DUTIES OF CHIEF EXECUTIVE OFFICER.

A Chief Executive Officer shall provide overall management and supervision of the business and operations of the Corporation. The CEO shall have authority to appoint and remove clinic or dental center executive directors, officers and managers as may be necessary or helpful in managing and operating the Corporation and its various dental centers.

SECTION 6.11 DUTIES OF DENTAL DIRECTOR

A Dental Director who shall be a duly licensed and properly trained dentist and who shall provide supervision of the professional practice of all dentists and related professionals employed by Corporation at both the Corporation or San Mateo Centers, or any other dental care center operated by Corporation.

The Dental Director shall report to and be under the supervision of the Chief Executive Officer, except that the such supervision shall not interfere with, control or otherwise direct the professional judgment of the Dental Director in his or her capacity as a licensed dentist in California.

ARTICLE 7 INDEMNIFICATION AND INSURANCE

SECTION 7.1 DEFINITIONS

For purposes of the Article "Agent" means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or other agent of another foreign or domestic corporation, joint venture, partnership, trust or other enterprise, or was a director, officer, employee or agent of a predecessor corporation of the Corporation or another enterprise at the request of such predecessor corporation; "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "Expenses" includes, without limitation, attorneys' fees and any expenses incurred in establishing a right to indemnification under Section 7.2 of this Article.

SECTION 7.2 RIGHT TO INDEMNIFY

The Corporation may, to the fullest extent permitted by law, indemnify any person who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that such person is or was an Agent of the Corporation, against Expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the Proceeding.

SECTION 7.3 APPROVAL OF INDEMNITY

On written request to the Board by any Agent seeking indemnification, to the extent that the Agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d) of the Nonprofit Corporation Law. Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the Proceeding, whether, in the specific case, the Agent has met the applicable standard of conduct stated in Section 5238(b) or section 5238(c) of the Nonprofit Corporation Law, and, if so, may authorize indemnification to the extent permitted thereby.

SECTION 7.4 ADVANCING EXPENSES

The Board may authorize the advance of Expenses incurred by or on behalf of an Agent of the Corporation in defending any Proceeding before the final disposition of such Proceeding, if the Board finds that:

- (a) the requested advances are reasonable in amount under the circumstances; and
- (b) before any advance is made, the Agent submits a written undertaking satisfactory to the Board, in its sole discretion, to repay the advance unless it ultimately is determined that the Agent is entitled to indemnification for the Expenses under this Article.

SECTION 7.5 INSURANCE

The Board shall have the power to purchase and maintain insurance on behalf of any Agent against any liability asserted against or incurred by the Agent in such capacity or arising out of the Agent's status as such, whether or not the Corporation would have the power to indemnify the Agent against such liability under this Article; provided, however, that the Corporation shall not have the power to purchase and maintain such insurance to indemnify any Agent of the Corporation for a violation of Section 5233 of the Nonprofit Corporation Law.

Board approved February 17, 2022

**ARTICLE 8
FISCAL YEAR AND REPORTING OBLIGATIONS**

SECTION 8.1 FISCAL YEAR

The fiscal year of the Corporation shall begin on the first of July and end on the thirtieth of June in each year.

SECTION 8.2 FINANCIAL REPORTING

The Corporation shall produce and distribute the financial and other reports required by the Nonprofit Corporation Law, including, without limitation, the annual report required by Section 6321 and the statement of transactions or indemnification required by Section 6322, and, if required, produce and make publicly available the financial statements required by the Nonprofit Integrity Act.

**ARTICLE 9
GIFTS, GRANTS, CONTRACTS AND INVESTMENTS**

SECTION 9.1 GIFTS

The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any specific purpose of the Corporation. The Corporation shall retain complete control and discretion over the use of all contributions it receives.

SECTION 9.2 GRANTS

The Board shall exercise itself or delegate, subject to its supervision, control over grants, contributions and other financial assistance provided by the Corporation, including, without limitation, fiscal sponsorship relationships.

SECTION 9.3 CONTRACTS

The board may authorize any officer(s) or agents(s), in the name of and on behalf of the Corporation, to enter into any contract or execute any instrument. Any such authority may be general or confined to specific instances, or otherwise limited. In the absence of any action by the Board to the contrary, the Chair of the Board, the Chief Executive Officer, or the Treasurer are authorized to execute such instruments on behalf of the Corporation.

SECTION 9.4 PAYMENT OF MONEY

Unless otherwise determined by the Board, all checks, drafts or other orders for payment of money out of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation may be signed on behalf of the Corporation by the Chief Executive Officer or, in the Chief Executive Officer's absence, by the Chair of the Board or the Treasurer.

SECTION 9.5 DEPOSITS

The funds of the Corporation not otherwise employed, including any amounts in any reserve fund, shall be deposited from time to time to the order of the Corporation in such banks, trust companies or other depositories as the Board may select.

Board approved February 17, 2022

**ARTICLE 10
OTHER PROVISIONS**

SECTION 10.1 RIGHTS OF INSPECTION

Every director shall have the right at any reasonable time to inspect and copy all books, records and documents and to inspect the physical properties of the Corporation.

SECTION 10.2 ELECTRONIC TRANSMISSIONS

Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions such as facsimile or email, provided (1) for electronic transmissions from the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (2) for electronic transmissions to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have send such transmission; and (3) the transmission creates a record that can be retained, retrieved, reviewed and rendered into clearly legible form.

**ARTICLE 11
AMENDMENT OF BYLAWS**

SECTION 11.1 AMENDMENTS

Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the Board of Directors, provided that any such amendment must be approved with the vote of at least a majority of the Directors, which majority must include a majority of those directors who are not among the directors who were appointed by PHCD.





DATE: November 11, 2024

TO: SDH Board of Directors

FROM: Tracey Fecher, CEO

RE: CEO Report

1. This month's report has visit information for the months of September and October.

- In the month of September both clinics were fully staffed, and the no show rate was off by 1%, which does not fully account for visits being below budget. The team reviewed the schedule; and the number of appointments per hygienist provider day was below budget. The clinical management team will meet to understand why the number of scheduled appointments per provider day was below the budgeted amount and what is required to rectify this moving forward.

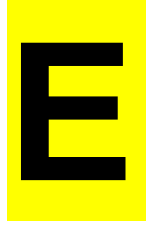
September

	Budget	Forecast	Actual	Actual vs. Budget	% of Actual Visits	% of Budgeted Visits
Comm/PPO	293	293	216	(77)	18%	22%
Private Pay	33	33	22	(11)	2%	3%
HPSM	481	551	419	(62)	34%	37%
Medi-Cal Dental	131	102	100	(31)	8%	10%
Affordable Plan	97	49	32	(65)	3%	7%
Farmworker	58	35	27	(31)	2%	4%
FQHC	221	250	412	191	34%	17%
Access to Care Subtotal	987	987	990	3	81%	75%
Total Visits	1,312	1,312	1,228	(84)		

- During the month of October, the clinical team was trained on EPIC. The amount of training required for the team was more than planned during the implementation planning. Also, the HMB clinic was closed for three days to replace the flooring. The forecast was adjusted for these unexpected closures and staff training days. Also, during the month of October, no FQHC visits were delivered for three weeks due to contract discussions with SMMC. The payer mix was greatly affected by this.

October						
	Budget	Forecast	Actual	Actual vs. Budget	% of Actual Visits	% of Budgeted Visits
Comm/PPO	294	279	254	(40)	20.4%	22.2%
Private Pay	33	31	21	(12)	1.7%	2.5%
HPSM	423	466	717	294	57.6%	31.9%
Medi-Cal Dental	150	107	98	(52)	7.9%	11.3%
Affordable Plan	101	48	30	(71)	2.4%	7.6%
Farmworker	54	36	23	(31)	1.8%	4.1%
FQHC	270	292	101	(169)	8.1%	20.4%
Access to Care Subtotal	999	948	969	(30)	78%	75%
Total Visits	1,326	1,258	1,244	(82)		

2. FQHC Contract: The Sonrisas team went live with SMMC's new electronic health record, EPIC, on November 4th. The County provided on-site EPIC support for the first two weeks of serving patients in the new system. The Sonrisas team continues to work with SMMC and outside experts on the contract relationship between SMMC and Sonrisas.
3. Staffing: A .6 FTE dentist in HMB went on maternity leave in late October and a pediatric provider moved to on-call. Current dentists are covering days in HMB; and a temporary dentist has been hired to cover one day a week for the four months the dentist is expected to be out. A new pediatric dentist has been hired and will start as soon as they are credentialed.
4. Financial Update: On November 11th, Sonrisas' current cash position was \$1,947,000.





DATE: November 18, 2024

TO: SDH Board of Directors

FROM: Vickie Yee, CFO
Tina Wang, Senior Accountant

RE: **October Unaudited Financials and YTD Performance to Budget**

SEPTEMBER PERFORMANCE:

- **Revenue:** Net Patient Revenue was **\$341,338** - \$38K higher than the budget
 - Total visits were 1,228 -84 visits below the budget
 - Total gross revenue was \$543,109 – \$32K below the budget due to fewer visits
 - Total uncompensated care deduction was **(\$201,770)** – 37% of gross revenue.
 - A total of \$63,635 incentive check was received for FY24 activities, out of which an estimated revenue of \$43,945 had been recorded in June 2024 and the remaining difference of \$19,690 is recorded in September,2024.

- **Expenses: \$558,374** – \$57K better than the budget.
 - Direct Expenses - \$25K better than budget from \$10k savings in the clinic payroll and \$16K savings in clinic expenses. COO position will be filled in October.
 - Indirect Expenses -\$31K better than budget, mainly from payroll savings and recruitment expense. The COO recruitment expenses were recorded in the previous month and there is no discrepancy in YTD recruitment.

- **Donations/Grants & Other Income: \$416,349-** \$102K better than the budget.
 - \$168,935 was released from restricted grants, including \$45K from Sequoia Health District.
 - \$86,558 in sponsorships for the Cooking for a Cause Event
 - \$148,068 PHCD grant, which was trued up with PHCD Q1 billing.
 - \$2500 TriNet credit
 - \$3,678 from interest and capital gain
 - \$6,566 in unrealized gain

NET INCOME: \$199,314 - \$188K better than budget



October PERFORMANCE:

- **Revenue:** Net Patient Revenue was **\$277,768** - \$47K lower than the budget
 - Total visits were 1,244 - 81 visits below the budget due to Epic training and the closure of the HMB clinic to install new flooring.
 - Total gross revenue was \$541,666 – \$37K below the budget due to fewer visits.
 - Total uncompensated care deduction was **(\$267,612)** – 49% of gross revenue.
 - FQHC visits were 8% of the visit volume and were budgeted at 20%

- **Expenses:** **\$549,355** – \$58K better than the budget.
 - Direct Expenses - \$28K better than budget from savings in clinic expenses due to lower visit volume.
 - Indirect Expenses -\$30K better than budget, mainly from the timing of fundraising expenses from the Cooking for a Cause event.

- **Donations/Grants & Other Income:** **\$244,887**- \$28K better than the budget.
 - \$149,681 was released from restricted grants, including \$45K from Sequoia Health District.
 - \$32,659 in sponsorships for the Cooking for a Clause Event
 - \$66,666 in estimated PHCD grant
 - \$2500 from the TriNet credit
 - \$185 individual donations
 - \$3,980 from interest and capital gain
 - **\$(10,785)** in unrealized gain

NET INCOME: \$(26,670) - \$39K better than budget

YTD PERFORMANCE:

- 1) While visits are under budget 6%, total direct care expenses are under budget by 8%.



- 2) Grant income is behind budget due to the timing of the release of funds after grant deliverables have been completed.
- 3) As of August, the current balance at City National Bank is \$1,290,394 (our initial investment was \$1.25M) and an unrealized gain of \$22,309.
- 4) The estimated incentives accrued at the end of the year were lower than what was received; therefore, \$19,690 of PDI Community of Care Incentives from the prior year are recorded this year.

YTD PERFORMANCE TO BUDGET: YTD's net income is **\$152,494**, better than the budget by \$268,750. The estimated cash flow is \$230,641, which is better than the budget of \$303K. The estimated PHCD grant to date is \$281k.

	YTD Actual	YTD Budget	Performance
<i>Visits</i>	5,035	5,358	(323)
Gross Patient Revenue	\$2,195,005	\$2,346,887	(6%)
Uncompensated Care (Deductions)	(\$935,367)	(\$1,064,506)	12%
Grants/Donations/Other Income	\$1,072,092	\$1,011,776	6%
Direct Cost	(\$1,383,833)	(\$1,519,907)	9%
Indirect Cost	(\$799,117)	(\$890,504)	10%
Net Income	\$152,494	(\$116,256)	231%
<i>Non-cash items adj.</i>			
Depreciation	\$101,021	\$109,368	8%
Capital Expenditure	\$22,874	\$65,572	65%
Estimated Cash Flow	\$230,641	(\$72,460)	418%

FINANCIAL OPERATIONS:

- For the first time, in a long time, the clinic is fully staffed with no vacant positions.
- SMMC FQHC visits were not scheduled for the last three weeks of October. The visits began again in early November and are currently focused on patients referred directly by SMMC.

ACCOUNTS RECEIVABLES: The AR Aging Table is below for your reference.

Accounts Receivable-Agency	-30	31-60	61-90	91-	Total
County of San Mateo-Supplemental Invoice	0.00	0.00	0.00	32,868.00	32,868.00
County of San Mateo-FQHC	45,000.00	145,080.00	131,625.00	110,916.00	432,621.00
County of San Mateo-Farmworker	9,080.00	9,450.00	0.00	0.00	18,530.00
Grand totals	54,080.00	154,530.00	131,625.00	143,784.00	484,019.00

Sonrisas Dental Health
 Revenues and Expenditures - Budget vs Actual
 As of October 31, 2024

As of Date:

Location:

Restriction:

	Month Ending 10/31/2024			Year To Date 10/31/2024		
	Actual :024	2025 BUDGET	Budget Diff	Actual 2024	2025 BUDGET	Budget Diff
Revenue and Expenditures						
Net Program Income						
Patient Revenue						
Patient Services						
Commercial Insurance	19,909.00	16,141.65	3,767.35	67,890.00	65,280.18	2,609.82
PPO	73,938.00	89,868.01	(15,930.01)	295,458.52	364,662.57	(69,204.05)
Private Pay	8,709.00	11,362.45	(2,653.45)	43,522.00	46,149.48	(2,627.48)
Medi-Cal Dental	41,534.00	46,647.25	(5,113.25)	168,495.00	176,237.75	(7,742.75)
HPSM	334,915.00	233,964.61	100,950.39	955,727.12	1,045,011.52	(89,284.40)
Tobacco Tax	0.00	0.00	0.00	1,240.00	0.00	1,240.00
PDI Community of Care Incentives	0.00	0.00	0.00	19,690.00	0.00	19,690.00
Affordable Scale	8,712.00	21,311.48	(12,599.48)	45,343.00	85,239.92	(39,896.92)
Farmworker	12,543.00	15,720.11	(3,177.11)	46,325.00	61,811.80	(15,486.80)
FQHC	41,406.00	144,073.34	(102,667.34)	551,314.00	502,493.33	48,820.67
Gross Patient Revenue	541,666.00	579,088.90	(37,422.90)	2,195,004.64	2,346,886.55	(151,881.91)
Uncompensated Care						
Prior Period Adjustment	(6,408.41)	(1,000.00)	(5,408.41)	(6,115.96)	(4,000.00)	(2,115.96)
Uncompensated Care - Commercial Insura	(6,274.00)	(2,603.57)	(3,670.43)	(12,836.60)	(10,455.27)	(2,381.33)
Uncompensated Care - PPO	(30,880.35)	(35,009.69)	4,129.34	(118,657.35)	(142,008.31)	23,350.96
Uncompensated Care -Medi-Cal Dental	(25,233.50)	(30,135.00)	4,901.50	(102,506.37)	(113,852.53)	11,346.16
Uncompensated Care -HPSM	(188,964.66)	(138,340.14)	(50,624.52)	(541,228.09)	(618,303.85)	77,075.76
Uncompensated Care - Affordable Scale	(3,923.00)	(9,280.18)	5,357.18	(19,021.00)	(37,117.98)	18,096.98

Uncompensated Care - Farmworker	476.00	(2,624.07)	3,100.07	(2,441.55)	(10,317.91)	7,876.36
Uncompensated Care - FQHC	(1,645.75)	(33,322.57)	31,676.82	(111,699.70)	(120,450.27)	8,750.57
Fee Adjustments	(4,758.20)	(2,000.00)	(2,758.20)	(20,861.00)	(8,000.00)	(12,861.00)
Total Uncompensated Care	(267,611.87)	(254,315.22)	(13,296.65)	(935,367.62)	(1,064,506.12)	129,138.50
Other Program Revenue						
Other Program Revenue	3,714.00	0.00	3,714.00	3,714.00	0.00	3,714.00
Total Other Program Revenue	3,714.00	0.00	3,714.00	3,714.00	0.00	3,714.00
Net Patient Revenue	277,768.13	324,773.68	(47,005.55)	1,263,351.02	1,282,380.43	(19,029.41)
Total Expenses						
Direct Expenses						
Direct Personnel Expense						
Direct Program Salaries	273,566.52	278,249.48	4,682.96	1,069,605.06	1,112,997.92	43,392.86
Payroll Taxes	18,979.76	21,286.09	2,306.33	77,237.48	85,144.36	7,906.88
Unemployment Taxes	387.79	3,429.58	3,041.79	962.83	13,718.32	12,755.49
Benefits	8,635.98	7,592.63	(1,043.35)	27,513.91	30,370.52	2,856.61
401k Match	5,894.10	6,400.94	506.84	25,517.30	25,603.76	86.46
Worker's Comp	1,736.25	2,261.68	525.43	7,351.76	9,046.72	1,694.96
Continuing Education	1,483.73	200.00	(1,283.73)	2,143.73	800.00	(1,343.73)
License and Registration	958.69	1,333.00	374.31	6,061.39	5,332.00	(729.39)
Outreach Fellowship Stipend	3,642.00	500.00	(3,142.00)	3,642.00	2,000.00	(1,642.00)
Total Direct Personnel Expense	315,284.82	321,253.40	5,968.58	1,220,035.46	1,285,013.60	64,978.14
Clinic Expenses						
Sterilization Services	883.50	900.00	16.50	3,534.00	3,600.00	66.00
Shredding	110.00	82.00	(28.00)	335.00	328.00	(7.00)
Dental Specialist-Claims Processing	4,604.63	5,263.33	658.70	19,972.44	22,106.97	2,134.53
Dental Supplies	11,431.62	24,652.77	13,221.15	63,638.01	99,402.88	35,764.87
Small Dental Equipment	147.77	833.00	685.23	4,325.13	3,332.00	(993.13)
Dental Equipment Repair	400.52	3,180.00	2,779.48	8,192.14	12,720.00	4,527.86
Lab Fees	14,597.00	14,734.97	137.97	44,161.56	59,397.13	15,235.57
Uniforms	0.00	0.00	0.00	0.00	200.00	200.00
PPE& Covid Related	2,974.95	6,989.61	4,014.66	14,741.14	28,206.93	13,465.79
Patient Notification	798.00	800.00	2.00	3,192.00	3,200.00	8.00
Claims Processing	387.48	600.00	212.52	1,705.72	2,400.00	694.28

Total Clinic Expenses	36,335.47	58,035.68	21,700.21	163,797.14	234,893.91	71,096.77
Total Direct Expenses	351,620.29	379,289.08	27,668.79	1,383,832.60	1,519,907.51	136,074.91
Indirect Expenses						
Indirect Personnel Expenses						
Salaries/Wages	92,014.95	86,417.64	(5,597.31)	341,785.50	345,670.56	3,885.06
Payroll Taxes	5,838.04	6,610.95	772.91	23,108.92	26,443.80	3,334.88
Unemployment Taxes	451.11	1,041.38	590.27	822.10	4,165.52	3,343.42
Benefits	2,014.05	3,415.35	1,401.30	10,119.35	13,661.40	3,542.05
401k Match	2,749.16	2,803.68	54.52	10,996.68	11,214.72	218.04
Worker's Comp	0.00	881.45	881.45	494.66	3,525.80	3,031.14
Total Indirect Personnel Expenses	103,067.31	101,170.45	(1,896.86)	387,327.21	404,681.80	17,354.59
Facility Expenses						
Auto Expenses	63.29	200.00	136.71	325.58	800.00	474.42
Building Maintenance	1,295.71	2,100.00	804.29	7,712.44	8,400.00	687.56
Janitorial Service	3,083.00	3,187.00	104.00	12,332.00	12,748.00	416.00
Rent	3,484.00	3,484.00	0.00	13,936.00	13,936.00	0.00
Phone/Internet	2,206.93	2,100.00	(106.93)	8,477.65	8,400.00	(77.65)
Utilities	4,749.09	5,115.00	365.91	19,420.87	20,460.00	1,039.13
Total Facility Expenses	14,882.02	16,186.00	1,303.98	62,204.54	64,744.00	2,539.46
Office Expenses						
Property Taxes	0.00	250.00	250.00	0.00	250.00	250.00
Employee Goodwill	2,027.34	680.83	(1,346.51)	4,513.31	6,623.32	2,110.01
Volunteer Appreciation	172.17	333.75	161.58	616.49	1,335.00	718.51
Outreach Storage Rent	500.00	500.00	0.00	2,000.00	2,000.00	0.00
Recruitment Expense	11,250.00	11,950.00	700.00	24,936.27	25,300.00	363.73
Office Supplies	1,478.57	1,922.50	443.93	4,280.10	7,690.00	3,409.90
Postage and Shipping	386.05	362.25	(23.80)	1,130.07	1,449.00	318.93
Total Office Expenses	15,814.13	15,999.33	185.20	37,476.24	44,647.32	7,171.08
Insurance						
Insurance - Auto	248.36	228.00	(20.36)	993.44	947.00	(46.44)
Insurance - Malpractice	848.00	850.00	2.00	3,392.00	3,400.00	8.00
Insurance - Liability & Property	560.00	560.00	0.00	2,240.00	2,240.00	0.00
Insurance - Directors & Officer Liability	958.00	958.00	0.00	3,832.00	3,832.00	0.00

Total Insurance	2,614.36	2,596.00	(18.36)	10,457.44	10,419.00	(38.44)
Fundraising Department						
Fundraising Expenses	10,068.59	29,194.00	19,125.41	85,157.76	92,665.00	7,507.24
Fundraising Consulting	2,870.00	4,250.00	1,380.00	16,040.00	17,000.00	960.00
Total Fundraising Department	12,938.59	33,444.00	20,505.41	101,197.76	109,665.00	8,467.24
Professional fee						
Consultant - General	0.00	416.00	416.00	1,300.00	1,664.00	364.00
Consultant - HR Professionals	2,600.00	3,016.00	416.00	10,400.00	12,064.00	1,664.00
Consultant-Project Manager	4,500.00	0.00	(4,500.00)	18,000.00	9,000.00	(9,000.00)
Consultant-FQHC	0.00	2,083.00	2,083.00	0.00	8,332.00	8,332.00
Consultant - Legal	0.00	100.00	100.00	0.00	400.00	400.00
Consultant - Leadership Coaching	0.00	0.00	0.00	3,041.66	2,000.00	(1,041.66)
Total Professional fee	7,100.00	5,615.00	(1,485.00)	32,741.66	33,460.00	718.34
General						
Depreciation Expense	25,623.31	27,894.73	2,271.42	101,021.01	109,367.50	8,346.49
Marketing Expense	0.00	2,483.00	2,483.00	108.99	8,832.00	8,723.01
Meeting & Travel Expenses	1,394.90	527.00	(867.90)	1,713.29	7,983.00	6,269.71
Fees and Interest	6,183.86	6,448.00	264.14	23,846.33	25,792.00	1,945.67
Outreach Supplies	114.08	4,796.00	4,681.92	5,584.28	18,141.00	12,556.72
Training & Membership	0.00	0.00	0.00	1,008.00	7,000.00	5,992.00
Board Expense	49.20	0.00	(49.20)	1,889.41	0.00	(1,889.41)
Total General	33,365.35	42,148.73	8,783.38	135,171.31	177,115.50	41,944.19
Computer expense						
Computer Support	5,826.32	7,406.25	1,579.93	25,047.41	29,625.00	4,577.59
Software Support	1,633.74	2,570.07	936.33	6,534.96	12,080.28	5,545.32
Computer Accessories	492.46	1,016.66	524.20	958.06	4,066.64	3,108.58
Total Computer expense	7,952.52	10,992.98	3,040.46	32,540.43	45,771.92	13,231.49
Total Indirect Expenses	197,734.28	228,152.49	30,418.21	799,116.59	890,504.54	91,387.95
Total Total Expenses	549,354.57	607,441.57	58,087.00	2,182,949.19	2,410,412.05	227,462.86
Total Net Program Income	(271,586.44)	(282,667.89)	11,081.45	(919,598.17)	(1,128,031.62)	208,433.45
Grants and Other Income						
Grants and Donations						
Fundraiser	32,659.44	0.00	32,659.44	171,218.19	164,000.00	7,218.19

Donations	185.25	2,000.00	(1,814.75)	5,006.25	5,000.00	6.25
Grants	149,680.97	143,438.48	6,242.49	512,853.35	558,474.66	(45,621.31)
PHCD Grants	66,666.00	66,667.00	(1.00)	348,066.00	266,668.00	81,398.00
Total Grants and Donations	249,191.66	212,105.48	37,086.18	1,037,143.79	994,142.66	43,001.13
Other Income						
Interest Income-Heritage	92.87	200.00	(107.13)	526.16	800.00	(273.84)
Other Income	2,500.00	2,500.00	0.00	12,515.00	10,000.00	2,515.00
Unrealized gain(loss)-CityNational	(10,784.79)	0.00	(10,784.79)	9,711.75	0.00	9,711.75
Investment Income	3,887.17	1,708.33	2,178.84	12,195.94	6,833.32	5,362.62
Total Other Income	(4,304.75)	4,408.33	(8,713.08)	34,948.85	17,633.32	17,315.53
Total Grants and Other Income	244,886.91	216,513.81	28,373.10	1,072,092.64	1,011,775.98	60,316.66
Net income	(26,699.53)	(66,154.08)	39,454.55	152,494.47	(116,255.64)	268,750.11

Sonrisas Dental Health**Balance Sheet**

As of Date:

10/31/2024

Location:

Sonrisas Dental Health

Year To Date

10/31/2024

Current Year Balance**Assets**

Current Assets

Cash and Cash Equivalents

11218 - Heritage -Operating 565,013.99

11600 - Petty Cash 198.84

Total Cash and Cash Equivalents 565,212.83

Accounts Receivable, Net

Accounts Receivable

12100 - Accounts Receivable-Patients 280,108.14

12210 - Accounts Receivable - Grants 441,993.49

12218 - Contra Acct - Allowance for Bad Debt 0.00

12220 - Accounts Receivable - Agencies 484,019.00

Total Accounts Receivable 1,206,120.63

Total Accounts Receivable, Net 1,206,120.63

Other Current Assets 31,387.63

Total Current Assets 1,802,721.09

Long-term Assets

Property & Equipment

17300 - Improvements 1,216,102.47

17400 - Equipment 1,552,784.28

17500 - Furniture/Fixtures 127,358.07

17600 - Vehicle 48,361.29

17900 - Accum Depreciation (Trousdale) 0.00

17999 - Accum Depreciation (2,256,013.98)

Total Property & Equipment 688,592.13

Other Long-term Assets 16,297.00

Total Long-term Assets 704,889.13

Investments

Long Term Investments

11410 - Investment Acct. - Merrill Lynch 11,233.23

11412 - Investment Acct. - City National 1,290,394.47

11415 - Unrealized Gain(loss) on Investment 22,308.94

Total Long Term Investments 1,323,936.64

Total Investments 1,323,936.64

Total Assets**3,831,546.86****Liabilities and Net Assets**

Liabilities

Short-term Liabilities

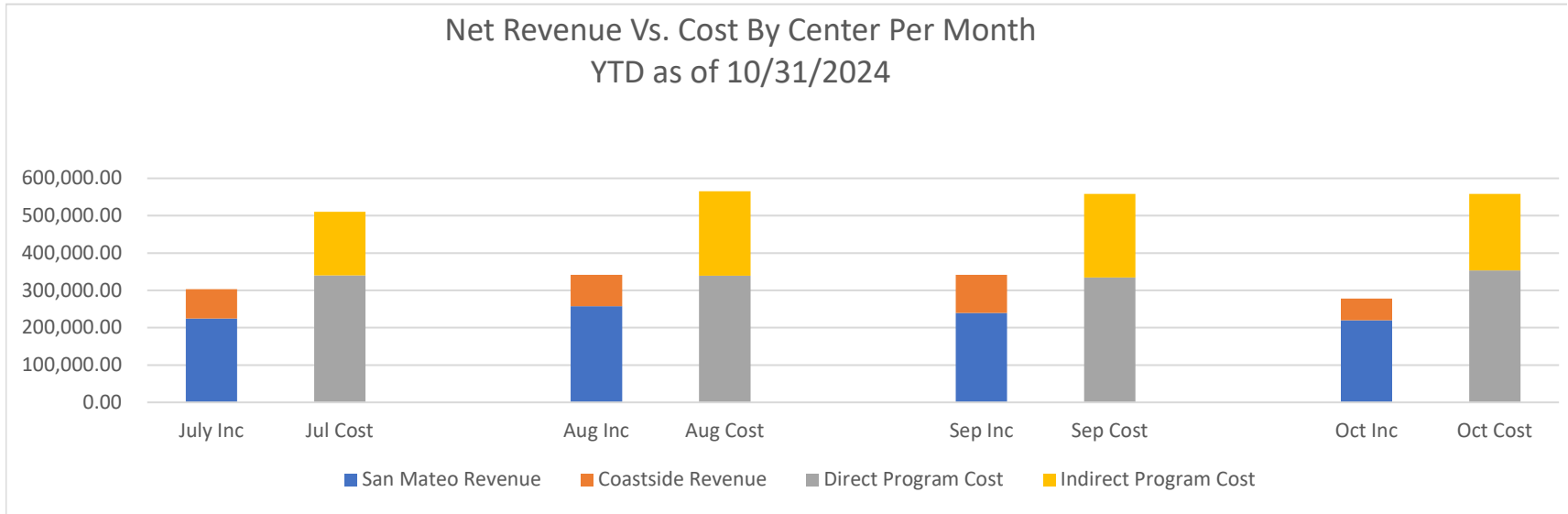
Accounts Payable	
21110 - Accounts Payable	65,032.88
23100 - Patient Prepayments	22,010.87
23200 - Patient Refunds Payable	4,957.27
Total Accounts Payable	92,001.02
Accrued Liabilities	
22210 - Accrued Payroll	69,308.84
22220 - Accrued PTO	93,913.95
Total Accrued Liabilities	163,222.79
Withholding Tax Payable	
22230 - Accrued Payroll Taxes	7,184.57
Total Withholding Tax Payable	7,184.57
Total Short-term Liabilities	262,408.38
Long Term Liabilities	
Other Long-term Liabilities	3,037.74
Total Long Term Liabilities	3,037.74
Total Liabilities	265,446.12
Net Assets	3,566,100.74
Total Liabilities and Net Assets	3,831,546.86

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Sonrisas Dental Health Operations

	Jul 24	Aug 24	Sep 24	Oct24	Total	Budget	B(W)
San Mateo Revenue	224,660	257,350	239,621	220,291	941,922	973,198	(31,276)
Coastside Revenue	78,305	83,930	101,718	57,477	321,429	309,182	12,247
Total Net Revenue	302,965	341,280	341,338	277,768	1,263,351	1,282,380	(19,029)
Direct Program Cost	339,895	339,188	353,129	351,620	1,383,832	1,519,908	136,076
Indirect Program Cost	170,154	225,983	205,245	197,734	799,116	890,505	91,389
Total Cost	510,049	565,171	558,374	549,354	2,182,948	2,410,412	227,465
TOTAL	(207,084)	(223,891)	(217,035)	(271,586)	(919,597)	(1,128,032)	208,436
Dividend/Other Income	14,557	11,909	12,787	(4,305)	34,949	17,633	17,315
Donations Received	102,955	148,103	255,494	182,526	689,077	727,475	(38,398)
Grant from PHCD	66,666	66,666	148,068	66,666	348,066	266,668	81,398
OTHER INCOME	184,178	226,679	416,349	244,887	1,072,092	1,011,776	60,316
NET INCOME	(22,906)	2,787	199,314	(26,699)	152,496	(116,256)	268,751

Net Revenue Vs. Cost By Center Per Month
YTD as of 10/31/2024



	Jul-24	Aug-24	Sep-24	Oct-24	Total	Budget	Variance
San Mateo Visits	906	980	916	945	3,747	4,020	(273)
Half Moon Bay Visits	327	350	312	299	1,288	1,338	(50)
Total Visits	1233	1330	1228	1244	5,035	5,358	(323)

Visits by Payer -San Mateo

	31-Oct Budget	Variance	YTD	YTD Budget	Variance	
Commercial Insurance	35	30	5	150	121	29
PPO	174	217	(43)	701	884	(183)
Private Pay	19	30	(11)	115	121	(6)
Affordable Scale	10	20	(10)	53	80	(27)
Farmworker		0	0	0	0	0
FQHC	72	246	(174)	836	853	(17)
Public Dental-HPSM	568	355	213	1600	1629	(29)
Public Dental-Medi-Cal	67	89	(22)	292	332	(40)
Total Visits	945	987	(42)	3747	4020	(273)

Visits by Payer -Half Moon Bay

	31-Oct Budget	Variance	YTD	YTD Budget	Variance	
Commercial Insurance	5	7	(2)	28	27	1
PPO	40	41	(1)	123	161	(38)
Private Pay	2	3	(1)	13	13	0
Affordable Scale	20	31	(11)	92	120	(28)
Farmworker	23	37	(14)	111	147	(36)
FQHC	29	61	(32)	384	221	163
Public Dental-HPSM	149	136	13	436	555	(119)
Public Dental-Medi-Cal	31	22	9	101	94	7
	299	338	(39)	1,288	1,338	(50)

Avg. Income (Loss) per Visit			
	YTD	Budget YTD*	FY24
Net Revenue per Visit	\$ 250.91	\$ 239.34	\$241.79
Direct Cost per Visit	\$ (263.60)	\$ (269.29)	(\$265.34)
Indirect Cost per Visit*	\$ (99.10)	\$ (100.60)	(\$93.33)
Net Income per Visit	\$ (111.79)	\$ (130.55)	(\$116.88)

* Indirect cost excludes costs in outreach program and fundraising department

Sonrisas Dental Health Operations Oct 24 Vs. Oct 23			
	Oct-24	Oct-23	Variance B(W)
Visits	1244	1295	(51)
San Mateo Revenue	220,291	254,699	(34,408)
Coastside Revenue	57,477	48,986	8,491
Total Net Revenue	277,768	303,685	(25,917)
Direct Program Cost	351,620	314,267	(37,353)
Indirect Program Cost	197,734	177,180	(20,554)
Total Cost	549,354	491,447	(57,907)
TOTAL	(271,586)	(187,762)	(83,824)
Dividend/Other Income	4,305	4,196	(8,501)
Donations Received	182,526	131,776	50,750
Grant from PHCD	66,666	66,666	0
Grants and Donations	244,887	202,638	42,249
NET INCOME	(26,699)	14,877	(41,575)





DATE: November 12, 2024
TO: SDH Board of Directors
FROM: Spandan Chakrabarti, Director of Development
RE: **Development Update**

End-of-Year Campaign and General Update: Sonrisas has launched our end-of-the-year giving campaign, with an ambitious goal to raise \$30,000, a near 50% increase over previous years. This campaign is built around patient testimonials and leverages newly deployed organization-wide resources such as the Qualtrics data tool that is now being used to track patient experience.

Sonrisas' Development team is hosting a friendly, adopt-an-op contest in which individual or teams of staff are encouraged to decorate a Sonrisas operatory for the holidays. Donors will then decide the best decoration by voting with their dollars. We believe that this activity will help foster collaboration within and between Sonrisas teams in addition to helping raise revenue to support the critical work of our frontline staff.

Grantseeking update: The Sonrisas Development team has secured over 95% of non-HCD grant support budgeted to be secured for the 2025 fiscal year. This is a different metric than disbursements, which can be found in the financials. The Development team is responsible for grantseeking, and this report reflects measurements of success for that metric. Last month, Sonrisas was awarded \$82,280 from Stanford Healthcare, a 10% increase from the prior year. With Stanford Healthcare's addition to Stanford Children's Health, Woodlawn Foundation, and Sunlight Giving, 4 institutional funders have meaningfully increased their giving to Sonrisas this year. However, Chan Zuckerberg Initiative did not renew their grant to Sonrisas, causing us to lose some ground. Sonrisas is still on target to reach its grantseeking goals this fiscal year.

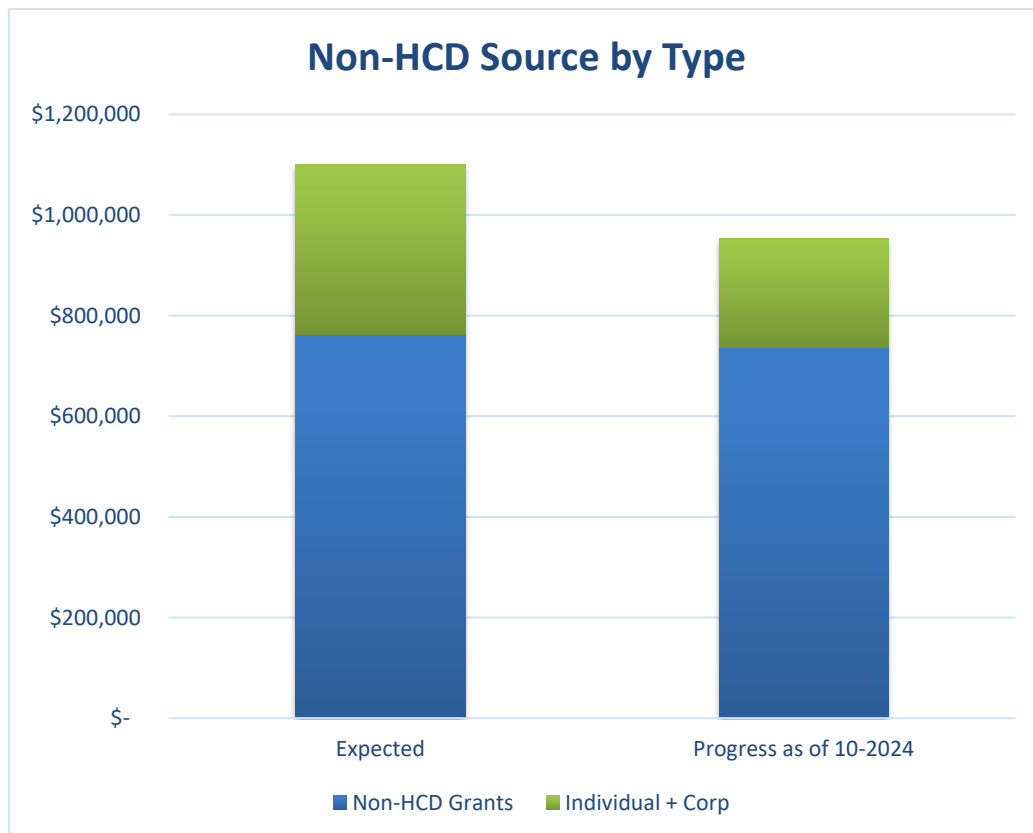
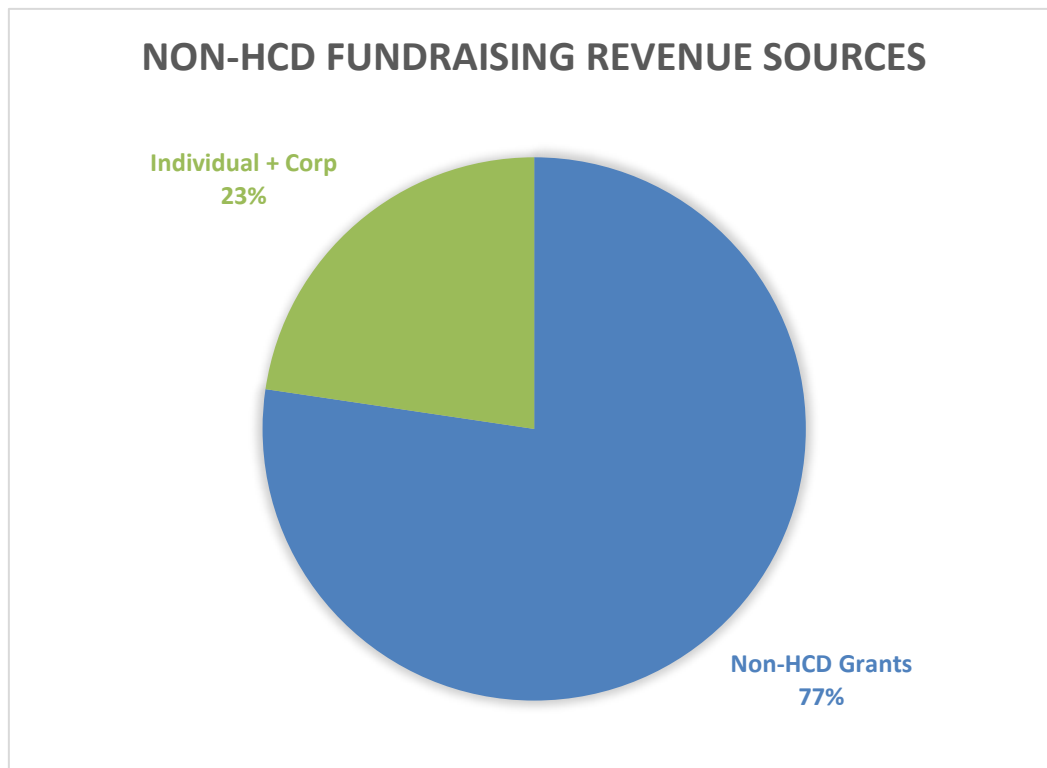
Stanford Children's will also feature Sonrisas in its impact report this year.

We continue to seek opportunities to build upon existing partnerships and pursue new ones to diversify our strong institutional support. As the landscape of institutional giving continues to evolve, our team is moving strategically to showcase our impact and strengthen partnerships.

Individual & Corporate Giving Update: As of October, Sonrisas has raised \$216,000 of our \$339,000 fiscal year goal for individual and corporate giving. This amount is inclusive of revenue from this year's Cooking for a Cause fundraiser.

Sonrisas Dental Health

Development Update. Dashboard Visuals.







DATE: November 12, 2024

TO: SDH Board of Directors

FROM: Bonnie Jue, DDS

RE: Community Engagement Director Report – November 2024

The fall semester has proven to be a busy one for Sonrisas Dental Health's School Screening Program (SDH). Over 1,500 dental screenings have been completed to date, and we're not even halfway through the school year yet! This substantial momentum has been made possible this year due to multi-year funding pledges which have enabled SDH to plan ahead (up to a year in advance), making coordination of these screening events more efficient, resulting in additional schools and children being served.

But our dedication to the community does not stop there; SDH has also been committed to providing oral health education, free dental screenings, and mobile dental services to hundreds of older adults throughout the county, as well. We've had the privilege of participating in Senior Showcases, resource fairs for older adults sponsored by the San Mateo Daily Journal, most recently held in beautiful community centers in Burlingame and South San Francisco.

We are also grateful to our many community partners, such as Peninsula Family Service (San Mateo and Redwood City), Peninsula Volunteers, Inc. (Menlo Park), Senior Coastsiders (Half Moon Bay), and Self Help for the Elderly (Millbrae and San Mateo) for supporting our programs and advancing oral health within their organizations.



Even SDH's Development Director lent a hand at this Senior Showcase!





Nice large space to set up our portable dental equipment to provide dental cleanings



Oral health education presentation in Chinese (Mandarin/Cantonese)....



.... Followed by dental screenings



Self Help for the Elderly - Mid-Autumn Moon Festival Fitness Challenge and Community Fair