



**Board Meeting
January 19, 2023
6:30 PM**

Teleconference Via Zoom

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AGENDA

- | | |
|--|------|
| 1. 6:30-6:35 CALL TO ORDER AND ROLL CALL –Chair Taverner | |
| 2. 6:35-6:40 MISSION MOMENT – San Bruno Community Foundation | |
| 3. 6:40-6:45 PUBLIC COMMENTS | TABS |
| 4. 6:45-6:50 APPROVAL OF NOVEMBER BOARD MINUTES – Chair Taverner | A |
| 5. 6:50-7:10 ANNUAL MEETING | B |
| A. Election of Slate of Officers – Chair Taverner | |
| B. Appointment of Directors – Chair Taverner | |
| C. Conflict of Interest Forms – Veronica Le | |
| D. CFO Transition ACTION Requested – Chair Taverner | |
| E. Approval of FY21-22 Audit ACTION Requested – CFO Fama | |
| | |
| 6. 7:10-7:30 STRATEGIC PLAN FY23-FY25 | |
| A. Sustainable Growth | |
| a. FQHC Subrecipient Contract Update – CEO Fecher | |
| B. Sonrisas Culture | |
| a. Sonrisas Compensation Overview – CEO Fecher | |
| b. Board DEI Training – Chair Taverner | |
| C. Community and Patient Engagement | |
| a. Partnership Update – CEO Fecher | |
| | |
| 7. 7:30-8:00 CONTINUING BUSINESS | |
| A. Banking: Insured Sweep Account ACTION Requested – CEO Fecher | |
| B. Investment Portfolio Management ACTION Requested – CEO Fecher | |
| C. May 2023 Board Meeting – Chair Taverner | |
| D. Board Resolution to Continue Virtual Meetings ACTION Requested – Chair Taverner | |
| | |
| 8. 8:00-8:10 REPORTS | C |
| A. CEO Report – CEO Fecher | |
| B. CFO Report – CFO Fama | |
| a. December 2022 Profit and Loss, Balance Sheet, Dashboards | |
| | D |



TABS

- C. Fundraising Report – Maura LeBaron-Hsieh
 - D. Outreach Report– Dr. Bonnie Jue
 - E. Board Nomination Committee – Directors Young and Hinshelwood
9. 8:10-8:15 SUGGESTED AGENDA ITEMS FOR NEXT MEETING – Chair Taverner
10. ADJOURN

E





**Board Meeting
November 17, 2022**

6:30 PM

AGENDA

1. **CALL TO ORDER AND ROLL CALL** – **Secretary Hinshelwood** called the meeting to order at 6:30 pm.
 - A. **Present:** Vice Chair Helen Galligan, Secretary Clyde Hinshelwood, Board Members: Larry Cappel, Dennis Kneoppel, Steve Stielstra, Sheryl Young
 - B. **Also Present:** CEO Tracey Fecher, CFO Cheryl Fama, Director of Development Maura LeBaron-Hsieh, Dental Director Torrey Rothstein, Consultant Vinney Arora, Administrative Assistant Veronica Le
 - C. **Absent:** Chair Nigel Taverner, Rick Navarro

[Director Larissa Cutler joined the meeting at 6:33 pm]

2. **MISSION MOMENT** – **Director of Development LeBaron-Hsieh** shared about Sonrisas' conversation with HPSM on solutions to get children—in need of urgent dental care—to see a provider as soon as possible, with the importance weighing on coordination and partnership. 10% of children at school screenings have severe decay, are in pain, or need urgent care. Sonrisas does not have openings for new pediatric patients right now and we problem solved with HPSM to ensure those children get care. Throughout these screenings, the number of kids in need of urgent treatment are growing. Partnership with HPSM to ensure children get the care they need is critical.
3. **PUBLIC COMMENTS**—No public in attendance.
4. **APPROVAL OF OCTOBER BOARD MINUTES**
 - A. **Vice Chair Helen Galligan** moved to approve the minutes of October 20th's meeting. **Director Larry Cappel** seconded the motion and it was approved by roll call. **Ayes: Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra.** **Abstained: Sheryl Young**
5. **STRATEGIC PLAN FY23-FY25**
 - A. **Sustainable Growth**
 - a. **Fundraising Event Strategy** – **Director of Development LeBaron-Hsieh** looks forward to working with the Board to strategize ways to evolve events that promotes fundraising, donor cultivation, and stewardship strategy. The overarching goal is creating ways to introduce Sonrisas to more people and considering multiple pathways to achieve this goal.
 - i. The Development Committee met last week, to find out what questions the committee members have, gather input, and prepare to discuss the fundraising event strategy with the board.
 - ii. An event structure with three main types of events over the course of the year, and three events for now.

- The gala, Cooking for a Cause—a high yield fundraising event (Fall). Goals:
 - Signature fundraiser
 - Energize supporters and staff
 - New Sonrisas contacts
 - The Board invites guests with gift potential and hosts tables
 - About 75% of guests from this year's Cooking for a Cause are Coastsides residents
- A cultivation event on the Peninsula (Spring) Goals:
 - Primarily to bring people in to learn more about Sonrisas to create interest after a bigger event
 - **CEO Fecher, Director of Development LeBaron-Hsieh**, and a few board members will reach out to those connections after the event
 - The Board could potentially host/plan the event or act as a connector by bringing guests
 - Could potentially end up being like a gala event once a solid donor base is established in the future
- Stewardship (Winter) Goals:
 - Held to thank donors
 - Creating more interest in Sonrisas
 - Getting to know donors
 - The Board will attend the event and thank donors while getting to know them
- iii. Consultant Vinny Arora shared the comparison of consultant hours.
 - An average gala—280-320 hours
 - Cultivation event—25-40 hours.
 - Opportunity cost for lead staff is far less and a great way to honor a volunteer who wants to be involved.
- iv. Significance of these events is sustaining the momentum of gathering people interested in Sonrisas' mission.
- v. It was agreed the Board supports the Development Committee's event strategy.

B. Sonrisas Culture

- a. **Dentist Compensation and Hiring Strategy – ACTION Requested – CEO Fecher** updated the Board on the process of looking for a full-time dentist for Half Moon Bay. The position was offered to a potential candidate as well as a part-time dentist position in San Mateo, but unfortunately both offers were declined due to salary.
 - i. Sonrisas' compensation for full-time dentist position is at the current market.
 - ii. PTO and paid holidays are also considerably less compared to FQHC clinics.
 - iii. To grow and retain our team, **CEO Fecher** proposed to the Board to increase the salary of current dentists to match the proposed salary scale, which was also presented to the board.
 - iv. Concern was raised regarding newly hired dentists having higher wages compared to the current dentists working for Sonrisas. It was agreed that due to the urgency of needing a full-time dentist in Half Moon Bay, salaries will be increased, which CEO Fecher thanked the Board for.

- b. **Director Sheryl Young** moved to approve to put \$50,000 unbudgeted towards salary increases to attract/retain dentists. **Director Larry Cappel** seconded the motion and was approved by roll call. Ayes: **Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneappel, Steve Stielstra, Sheryl Young.**
- c. **Community and Patient Engagement**
 - a. **Partnership Update – CEO Fecher** informed the Board of San Mateo County’s intentions of opening a homeless navigation center consisting of 240 rooms housing 260 people. It will include a medical clinic and dental center with two chairs. The center will be managed by Life Moves. A Request for Information from Sonrisas detailing how we would operate the dental center. **CEO Fecher** and the leadership team worked together to compile the RFI.
 - i. Would be oral health stabilization rather than oral health restoration.
 - ii. RFI presented was at a day rate for the entire clinic.
 - iii. Idea behind navigation center is “no operator lose money”
 - b. **CEO Fecher** and Dr. Bonnie met with HPSM and Sequoia Hospital regarding hospital dentistry
 - i. They are very interested but they currently do not do pediatric surgery but understand the importance of it
 - Could possibly treat adults with special needs too
 - ii. They are working internally to see what it would take to safely provide pediatric care for hospital dentistry
 - iii. Next meeting is in January
 - iv. Sonrisas is currently not doing hospital dentistry which has a positive effect on visit volume, since the dentist sees many more children in clinic.
 - Referring children, in need of hospital dentistry, to locations in Fremont and San Francisco
 - c. **CEO Fecher** and Dr. Torrey are currently working on the technology needed to run SMMC’s electronic health records, eCW.
 - i. Dr. Torrey is seeing FQHC patients in Half Moon Bay to help with budgeted FQ visits
 - ii. With a newly hired Half Moon Bay dentist, there will be a 2–3-month delay to have the dentist properly credentialed.

6. CONTINUING BUSINESS

- A. **Board Designated Reserve Policy – ACTION Requested – CFO Fama** suggested having a Board Designated Reserve Policy is good business in case there are situations affecting operations, such as emergencies, pandemic, and natural disasters that no one could have predicted.
 - a. **CEO Fecher** presented a 3-month and 6-month calculation embedded into the policy in another case where equipment and facility issues that could directly impact operation funds.
 - b. This policy was reviewed by multiple qualified people to ensure its soundness.
 - c. **Director Larry Cappel** moved to approve the Board Designated Reserve Policy. **Director Dennis Kneappel** seconded the motion and was approved by roll call. Ayes: **Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneappel, Steve Stielstra, Sheryl Young.**
- B. **Board Resolution to Continue Virtual Meetings ACTION Requested**
 - a. **Director Larry Cappel** moved to approve continuing teleconference meetings. **Director Dennis Kneappel** seconded the motion and was approved by roll

call. Ayes: Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneappel, Steve Stielstra, Sheryl Young.

[Director Larry Cappel left the meeting at 7:47 pm.]

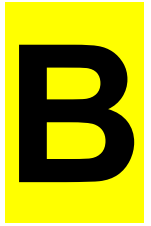
7. REPORTS

- A. **CEO Report** – No comments or questions.
- B. **CFO Report** – **CFO Fama** pointed out a misspelling on page 17 of the report.
- C. **Fundraising Report** – No comments and questions.
- D. **Outreach Report** – No comments and questions.
- E. **Board Nomination Committee** – No report.

8. SUGGESTED AGENDA ITEMS FOR NEXT MEETING

- A. **Director Stielstra** would like a broader plan on the total compensation package.
 - a. PTO, holidays, benefits, salary scales
 - b. **CEO Fecher** will work with the leadership team and bring this to the next board meeting.
 - c. **Director Young** noted the difficulties in creating a long-term solution that will work best with Sonrisas.
- B. **CFO Fama** will be retiring thus stepping down as our CFO. Would like to bring to January's meeting of a smooth transition effective February 1st.
 - a. Approval of next appointed CFO
 - i. CFO Fama will be recommending Vickie Yee
 - c. No December meeting

9. ADJOURN—The meeting was adjourned at 7:54 pm.





DATE: January 13, 2023

TO: SDH Board of Directors

FROM: Tracey Fecher, CEO

RE: Sonrisas Board of Directors Annual Meeting

The Sonrisas bylaws call for an annual meeting in January each year. The annual meeting includes the election of board officers on even years, appointment of directors to the board, and board members reviewing and signing of conflict-of-interest forms annually. When board member's term has expired, they may be reappointed at the annual meeting.

In January 2023, there is no election of board officers nor do any board members need to be reappointed. See the attached board rotation worksheet for the status of elected officers and board members.

Board members are asked to review and sign a Conflict-of-Interest form annually. A sample is attached to this memo. Veronica Le will email them to board members before the board meeting and will follow up if they are not received by January 31st.

Sonrisas' bylaws call for the following 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.

CFO Cheryl Fama has tendered her resignation as Sonrisas' CFO. At the January board meeting, there will be a discussion and vote considering the election of Vickie Yee as the CFO of Sonrisas. Vickie's resume is attached for board member's consideration. If she is elected, the transition will take place as soon as all banking requirements are completed.

At the annual meeting, the audit report will be provided to board members for approval. It is attached to this memo.



SONRISAS BOARD OF DIRECTORS

BOARD Term and Office Information for 2023

Note that new board terms begin in January of new calendar year at Annual Meeting, even if board member is elected later that year according to Sonrisas' bylaws.

BYLAWS 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 4.4, new directors may be appointed or elected at any time to fill vacancies in accordance with the 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."

BYLAWS 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, on even years, there will be an election of officers. Officers shall be elected for two-year terms. Candidates receiving the most votes shall be elected. Each director will cast one vote."

BYLAWS 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."

Sonrisas Board of Directors 2023						
Board Director Name	HMB or PHCD Seat?	Board Service Start Year	Current Term Start	Current Term Ends December:	Office	Start Date of Office
Nigel Taverner	HMB	2006	2022	2024	Chair	2009
Helen Galligan	PHCD	2018	2022	2024	Vice Chair	2018
Clyde Hinshelwood	HMB	2015	2022	2024	Secretary	2018
Larry Cappel	PHCD	2018	2022	2024		
Rick Navarro	PHCD	2018	2022	2024		
Sheryl Young	PHCD	2018	2022	2024		
Larissa Cutler	HMB	2021	2021	2023		
Steve Stielstra	HMB	2021	2021	2023		
Dennis Kneepple	PHCD	2022	2022	2024		



SONRISAS DENTAL HEALTH, INC.

CONFLICT-OF-INTEREST POLICY FOR TRUSTEES AND OFFICERS

A conflict of interest is present whenever a trustee or officer of Sonrisas Dental Health has a financial interest in a proposed transaction or is a director or officer of the other entity to the proposed transaction. Such transactions may include services provided by the organization to fundholders, grants given to charitable organizations on which the trustee or officer also serves as an officer or director, purchase of services and/or tangibles from a vendor, and/or access to specialized or privileged information that can be used for personal gain.

California nonprofit corporation law provides that transactions between a nonprofit organization such as Sonrisas Dental Health and any other corporation, partnership, association, or other organization in which one or more of the nonprofit organization's directors or officers are directors or officers, or have a financial interest, while not prohibited outright, are nonetheless subject to question. Such transactions may be void or voidable unless a good-faith disclosure of any such interest is made to the nonprofit organization prior to the nonprofit organization's entry into the transaction. It is also possible that directors and officers who fail to comply with the requirements of this law may incur liability to the extent that the nonprofit organization is damaged.

Therefore, in accordance with this law, Sonrisas Dental Health requires its trustees and officers to disclose all interests that they or a family member has in other for-profit or nonprofit entities where it is foreseeable that the organization may enter into a contract, be awarded a grant, or have other business or financial dealings with the entity. This shall include, but not be limited to, financial interests, officerships, directorships, and other similar substantial interests in any such entities.

Trustees and officers of Sonrisas Dental Health are asked to maintain independence, objectivity, *and confidentiality* and to do what a sense of fairness, ethics, and personal integrity dictate even though not necessarily obligated to do so by law, regulation, or custom. Trustees and officers serving on the executive committee shall refrain from voting on a proposed grant if they are in a conflict-of-interest situation and, if appropriate, shall withdraw from the meeting.



In order to avoid even the appearance of a conflict of interest that might embarrass the board or the organization, trustees and officers must disclose any actual or possible conflicts, and the nature thereof, to the board chair and to the chief executive officer of Sonrisas Dental Health annually, or as such situations may arise.

Adopted: _____

**SONRISAS DENTAL HEALTH, INC.
CONFLICT-OF-INTEREST ACKNOWLEDGMENT**

I have read and understand Sonrisas Dental Health's policy on conflict of interest. As part of Sonrisas Dental Health, I understand that this policy on conflict of interest applies to me.

I understand that I am expected to conduct business in accordance with the letter, spirit, and intent of all relevant conflict-of-interest laws and the conflict-of-interest policy. I also acknowledge that I am to refrain from any illegal, dishonest, or unethical conduct. I understand that if a situation arises where it is difficult to determine the proper course of action, the matter will be discussed openly with the board and/or with the chair or his or her designee for advice and consultation. Furthermore, I understand that this document can be amended by the chair or the CEO at any time.

In compliance with the organization's conflict-of-interest policy, the positions that I or an immediate family member hold within the community are as follows:

Business and professional activities in which I or an immediate family member hold as an owner, officer, board member, partner, employee, or other beneficiary position as of _____:

Name of Business/Organization

Position Held/By Whom



Other not-for-profit organizations with which I or a family member is associated, and which might reasonably expect to award a grant to Sonrisas Dental Health:

Name of Organization

Position Held/By Whom

Other activities that may produce a possible conflict of interest:

In addition, I recognize the need to maintain confidentiality regarding information I might receive as a trustee or officer regarding donors, donations, and grantmaking activities of Sonrisas Dental Health.

Signature

Printed Name

Date

*Approved by Sonrisas Dental Health Board of Directors on **May 16, 2019.***

CONTROLLER

Astute, hardworking and results-driven professional with exceptional organizational, analytical, project management and accounting skills. 15+ years of progressive experience in delivering the highest standards of controlling and process improvements that improve accuracy and lead times while reducing costs. MBA in Finance and BA in Accounting with a complete grasp of all aspects of controlling from strategic planning to financial reporting, A/R & A/P management, budgeting, forecasting, auditing, reconciliations, tax management, managing investments and closings. Dedicated, poised, detail-oriented and discrete. A strategic and critical thinking team builder and leader who thrives multitasking in dynamic and deadline-driven business environments. Superb interpersonal, presentation and communication skills. **Technology Snapshot:** Proficient in MS Office Suite, Sage Intacct, Salesforce, QuickBooks, Navision, Concur, Lacerte, FAMIS, Abilia MIP, Fundriver, UltiPro, Jet Reports, Emerge, Paychex, and ADP.

Core Competencies Include:

Financial Reporting ♦ A/P, A/R & General Ledger Management ♦ Strategic Planning ♦ Cost Controls ♦ Budgeting ♦ Forecasting Reconciliations ♦ Project Management ♦ Compliance ♦ Internal & External Audits ♦ Team Building ♦ Variance Analysis ♦ Modeling Tax Reporting ♦ Business Analytics ♦ GAAP ♦ HR ♦ Due Diligence ♦ Quality Assurance ♦ Cost Controls ♦ Process Improvements

CAREER HISTORY

PENINSULA HEALTH CARE DISTRICT

Burlingame, CA

January 2018 – Current

Chief Financial Officer – Oversaw all aspects of accounting and finance for the District to ensure all taxpayers' dollars fulfill specialized health needs for the residents of the District.

- ✓ Oversaw a wide range of complex accounting duties, including full accrual basis general ledger accounting and reporting, budgeting process, managing annual audit process, oversight of debt financing and compliance, property management tracking of leases, monitoring of insurance coverages and rates, monitoring of financial portfolio managers, and serving as the Board Treasurer as an internal financial advisor to the Board and CEO on strategic initiatives, operational activities, and special projects. A few specific achievements include :
 - Clean audit for the past 5 years.
 - Managed construction accounting to the opening of the Assisted Living/Memory Care facility
 - Established policies, procedures, and databases to successfully implement 3 new programs (dental clinic, fitness center, assisted living/memory care facility), ensuring reliable and timely financial reporting.
 - Transitioned outdated accounting software to Sage Intacct as the needs of the District grew and provided consolidating data capabilities for more efficient audits and oversight of programs.
 - Introduced and implemented Paychex from paper time tracking. Proposed and approved by Board additional employee benefits such as flexible savings accounts and dependent care flexible savings.
 - Implemented various controls and banking services to safeguard District assets to prevent fraud. As well as transitioning 10 bank accounts to a new bank due to attempted fraud.

ASIAN ART MUSEUM OF SAN FRANCISCO

San Francisco, CA

May 2016 – January 2018

Controller – Oversaw the museum's \$30MM annual operating budget, \$100MM investment portfolio with a \$60MM endowment fund to help further the organization's mission to bring Asian Art and Culture to a global audience.

- ✓ Oversaw all functions of the accounting and payroll cycle. Managed both City and Foundation operations to effectively report to management and City officials.
- ✓ Liaison to the City's budget of \$10MM including budget request, reporting, justification analysis, presenting projects, requisitions, and answering inquiries from the City. Maintaining relations with City departments. Working with various departments in the City such as Capital Planning, Controller's Office, Mayor's Office, Park and Rec and others as needed.
- ✓ Streamline processes. Implemented Concur expense reporting and invoicing to significantly improve the efficiency of the accounts payable function, cutting down 2 days of work for the junior accountant. Working with team to achieve a paperless environment.
- ✓ Managed a \$100MM pooled investment portfolio tracking Private Equities and other investments. Ensure investment policy and processes are followed and documented for audit purposes.
- ✓ Implemented Fundriver software to manage the endowment portfolio and to properly track earnings, payout, and expenditure on funds and be able to report back to donors quarterly.
- ✓ Successfully rolled-out our new Payroll and Time Management system converting 200+ staff data to the new system and provided training and support to staff for smooth transition.
- ✓ Oversaw the functions of the facility rentals, cafe, museum store, admissions, donations and memberships which is approximately \$20MM of activities.

RSF SOCIAL FINANCE, INC.

San Francisco, CA

July 2003 - Mar. 2016

Accounting Director (Jan. 2014 – Mar. 2016) - Oversaw all aspects of accounting and controlling for a pioneering social investment fund that has made \$275M+ in investments and \$130M+ in grants since 1984, furthering the fields of Food & Agriculture, Education & Arts and Ecological Stewardship.

- ✓ Managed and tracked financial statements, annual budgets and projections for parent company and subsidiaries. Supervised internal audits and liaised with external auditors for 4 companies. Prepared and filed 8 tax returns for nonprofit, for-profit and limited-liability entities. Helped develop and implement risk management practices that achieved extremely low default rates and leverage ratios.
- ✓ Hired, trained, developed and supervised a highly effective accounting team. Conceived and implemented new accounting standards, protocols and systems to improve accuracy and lead times while reducing costs. Established goals and targets to achieve outstanding performance. Developed forecasts of operating costs. Performed optimal variance analysis of financial plans and forecasts.
- ✓ Identified, analyzed and executed numerous investments to minimize risks and maximize returns.
- ✓ Ensured full regulatory compliance of all accounting and accounting functions.
- ✓ Managed Private Equity and Venture Capital Investments and reportings to investment partners. Identified and implemented process improvements to perfect operations including :
 - Establishing protocols, databases and efficiencies to successfully transition RSF for growth from 3 to 8 companies (over 13 years) while increasing accuracy, lead times and functionality.
 - Streamlining processes and implementing efficiencies to enable growth with only 1 additional accounting staff member.
 - Implementing a new expense reporting program that improved efficiency, accuracy, compliance and risk mitigation while reducing staff time and costs.
 - Saving \$40K annually in tax preparation costs by bringing tax return preparation in-house.
- ✓ Developing and launching a foundation-wide collaborative budget process that significantly improved budgeting.

Controller (Feb. 2010 – Dec. 2013) - Managed and tracked financial statements. Assisted CFO in budget preparation, asset management and forecasting. Tracked budgets and investments to ensure cost and return targets were met.

- ✓ Oversaw liability insurance for company-wide and worker's comp audit
- ✓ Ensured full compliance of all regulations, including SEC, IRS, DOL and City and County of San Francisco regulations.
- ✓ Identified and implemented process improvements as needed, including adopting improved accounting protocols and practices that streamlined operations and reduced costs and saving \$100K+ in annual fees by bringing investment accounting in-house.

Accounting Supervisor Promoted to Manager (Jan. 2007 – Feb. 2010) - Managed accounting team including hiring, training, development, performance reviews and promotions.

- ✓ Oversaw A/R, A/P, payroll, HR benefits, general ledger, tax returns and asset portfolios to ensure accuracy and optimal performance.
- ✓ Supervised and upgraded accounting databases, systems, guidelines and protocols.

Staff Accountant (Promoted to Senior Accountant) (July 2003 – Dec. 2006) - Prepared A/R, A/P, payroll, HR benefits, tax returns, aging reports and general ledger. Performed reconciliations and assisted in audits. Identified and implemented process improvements as needed.

+++++++

Past Experience - Staff Accountant, The Offices of Joe R. Chhabria, CPA, San Francisco, CA - Prepared Corporate and Individual tax returns, research, A/R, A/P, general ledger, financial statements, closings, reconciliations and aging reports.

EDUCATION

MBA in Finance, Notre Dame de Namur University

BS in Accounting, San Francisco State University, San Francisco, CA



Audited Financial Statements

**SONRISAS
DENTAL HEALTH, INC.**

June 30, 2022

**JWT & Associates, LLP
Certified Public Accountants**

Audited Financial Statements

SONRISAS DENTAL HEALTH, INC.

June 30, 2022

Report of Independent Auditors	1
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Audited Financial Statements

Statement of Financial Position	4
Statement of Operations.	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Voice: (559) 431-7708 Fax: (559) 431-7685 Email rjctcpa@aol.com

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 statement of financial position as of June 30, 2022, and the related statements of operations, changes in net assets, and cash flows for the year 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, 2022, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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, 2022, the changes in its financial position and cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

W7 & Associates, LLP

Fresno, California
November 4, 2022

Statement of Financial Position

SONRISAS DENTAL HEALTH, INC.

June 30, 2022

Assets

Current assets:

Cash and cash equivalents	\$ 766,677
Investments	747,480
Restricted cash and cash equivalents	149,565
Patient accounts receivable, net of allowances	321,180
Grant and other receivables	465,454
Prepaid expenses and other current assets	<u>14,386</u>
Total current assets	2,464,742

Property and equipment, net of accumulated depreciation	1,009,480
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Other assets	<u>16,297</u>
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Total assets	<u><u>\$ 3,490,519</u></u>
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Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued expenses	\$ 110,223
Accrued payroll and related liabilities	389,689
Unearned revenues	<u>32,065</u>
Total current liabilities	531,977

Debt borrowings	<u>7,408</u>
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Total liabilities	539,385
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Net assets:

Net assets without donor restrictions	2,801,569
Net assets with donor restrictions	<u>149,565</u>
Total net assets	<u>2,951,134</u>

Total liabilities and net assets	<u><u>\$ 3,490,519</u></u>
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Statement of Operations

SONRISAS DENTAL HEALTH, INC.

Year Ended June 30, 2022

Revenues, gains and other support:

Dental service - net patient revenues	\$ 2,724,850
Other operating revenues, gains and other support:	<u>3,035</u>
Total revenues, gains and other support	2,727,885

Expenses:

Salaries and wages	2,823,739
Employee benefits	407,412
Professional fees	125,877
Supplies	308,322
Purchased services	272,606
Utilities and phone	60,244
Lease expense	41,440
Insurance	26,571
Depreciation and amortization	296,094
Interest	13,794
Other operating expenses	<u>84,104</u>
Total expenses	<u>4,460,203</u>

Net (loss) from operations (1,732,318)

Non-operating revenues:

Investment income	2,246
Forgiveness of debt borrowings	201,105
Grants, contributions and other	<u>946,944</u>
Total non-operating revenues	<u>1,150,295</u>

Excess of (expenses) over revenues \$ (582,023)

Statement of Changes in Net Assets

SONRISAS DENTAL HEALTH, INC.

Year Ended June 30, 2022

Changes in Net Assets without Donor Restrictions

Net assets without donor restrictions at the beginning of the year	\$ 2,484,274
Excess of (expenses) over revenues	(582,023)
Other minor changes	(682)
Net changes in District allocations	<u>900,000</u>
Net assets without donor restrictions at the end of year	<u><u>\$ 2,801,569</u></u>

Changes in Net Assets with Donor Restrictions

Net assets with donor restrictions at the beginning of the year	\$ 140,000
Contributions received with donor restrictions	149,565
Contributions released from donor restriction	<u>(140,000)</u>
Net assets with donor restrictions at the end of the year	<u><u>\$ 149,565</u></u>

Statements of Cash Flows

SONRISAS DENTAL HEALTH, INC.

Year Ended June 30, 2022

Cash flows from operating activities:

Net loss from operations	\$ (1,732,318)
Adjustments to reconcile changes in net assets without donor restrictions to net cash (used in) operating activities:	
Depreciation and amortization	296,094
Net changes in District allocations	899,318
Changes in operating assets and liabilities:	
Patient accounts receivable, net of allowances	(322,339)
Grant and other receivables	(172,115)
Prepaid expenses and other current assets	23,723
Accounts payable and accrued expenses	(232,472)
Accrued payroll and related liabilities	305,700
Unearned revenues	<u>432</u>
Net cash (used in) operating activities	(933,977)

Cash flows from noncapital financing activities:

Forgiveness of debt borrowings	201,105
Grants, contributions and other	<u>1,096,509</u>
Net cash provided by noncapital financing activities	1,297,614

Cash flows from capital and related financing activities:

Purchases of property and equipment and other	(382,865)
Repayment of debt borrowings	(202,418)
Net changes in other assets	<u>(1,600)</u>
Net cash (used in) investing activities	(586,883)

Cash flows from investing activities:

Net change in restricted cash	(9,565)
Investment income	<u>2,246</u>
Net cash (used in) investing activities	<u>(7,319)</u>
Net (decrease) in cash and cash equivalents	(230,565)
Cash, cash equivalents and investments at beginning of year	<u>1,744,722</u>
Cash, cash equivalents and investments at end of year	<u><u>\$ 1,514,157</u></u>

See accompanying notes and auditors' report

Notes to Financial Statements

SONRISAS DENTAL HEALTH, INC.

June 30, 2022

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, 2022.

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, 2022, 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 2022.

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 as of June 30, 2022.

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, 2022 were \$102,397.

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 2019 through 2022 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 year ended June 30, 2022 was \$13,794.

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 year ended June 30, 2022 is summarized by payor type and payment arrangements with major third-party payors are as follows:

Commercial insurance and PPO	23%
Public dental insurance	60%
FQHC and affordable scale	14%
Self pay and other	<u>3%</u>
Dental service - gross patient revenues	100%
Less deductions from revenue and related allowances	<u>(53%)</u>
Dental service - net patient	<u>47%</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, 2022 are as follows:

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE C - CONCENTRATION OF CREDIT RISK (continued)

Commercial insurance and PPO	19%
Public dental insurance	57%
FQHC and affordable scale	10%
Self pay and other	14%
Gross patient accounts receivable	<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, 2022 was comprised of the following:

	Estimated <u>Useful Life</u>	
Building improvements	5-30	\$ 1,203,656
Furniture and fixtures	3-10	129,460
Equipment	3-7	1,298,658
Vehicles	3-5	<u>111,934</u>
		2,743,708
Less accumulated depreciation and amortization		<u>(1,734,228)</u>
		<u>\$ 1,009,480</u>

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE E - DEBT BORROWINGS

As of June 30, 2022 the Agency only has minor debt borrowings related to a capitalized lease in the amount of \$7,408. 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, 2022.

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, 2022 are as follows:

	<u>Dental Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 2,128,066	\$ 695,673		\$ 2,823,739
Employee benefits	307,040	100,372		407,412
Professional fees	54,423	748	\$ 70,706	125,877
Supplies	277,528	30,794		308,322
Purchased services	149,119	123,487		272,606
Utilities and phone	39,159	21,085		60,244
Lease expense	26,936	14,504		41,440
Insurance	7,158	19,413		26,571
Depreciation and amortization	192,461	103,633		296,094
Interest	8,966	4,828		13,794
Other operating expenses	54,668	29,436		84,104
Total expenses	<u>\$ 3,245,524</u>	<u>\$ 1,143,973</u>	<u>\$ 70,706</u>	<u>\$ 4,460,203</u>

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

NOTE G - FAIR VALUE OF ASSETS AND LIABILITIES

The Agency adopted Statement of Financial Accounting standards No. 157, *Fair Value Measurements* (FAS 157). FAS 157 fair value establishes a framework for measuring fair value and expands disclosures about fair value measurements. FAS defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. FAS 157 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard 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.

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 FAS 157 as of June 30, 2022:

	<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)
Certificates of deposit	\$ 702,006	\$ 702,006		
Mutual funds	<u>45,474</u>	<u>45,474</u>		

Totals of financial instruments	<u>\$ 747,480</u>	<u>\$ 747,480</u>	<u> </u>	<u> </u>
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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, 2022 was \$41,440. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2022, 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, 2022 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, 2022.

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.

Notes to Financial Statements (continued)

SONRISAS DENTAL HEALTH, INC.

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.

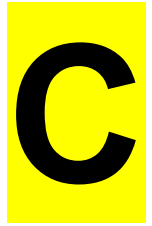
The Agency strives to maintain liquid financial assets sufficient to cover at least 30 days of expenditures. The Agency's policy is that excess cash on hand is invested in investment instruments with liquidity requirements to enable Agency usage of those assets within a short time period. The following table reflects the Agency's financial assets as of June 30, 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 766,677
Investments	747,480
Patient accounts receivable, net of allowances	321,180
Other receivables	<u>465,454</u>
Total financial assets	2,300,791
Less reduction of financial assets not available for general expenses	<u>-0-</u>
Total financial assets available for one year of general expenses	<u>\$ 2,300,791</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 fiscal year 2022.

NOTE J - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through November 4, 2022, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.





DATE: January 13, 2022

TO: SDH Board of Directors

FROM: Tracey Fecher, CEO

RE: CEO Report

1. Clinic Operations:

- In December, many patients cancelled appointments due to being sick or weather related issues. The CCC team worked diligently to fill those open appointments, including offering the openings to new patients when all current patients wanting sooner appointments were contacted. The no-show rate in San Mateo was 11% vs. the budgeted rate of 6%. HMB was budgeted to be 12% and actual was 13%.
- December visits budget vs. actuals were off by (133) visits. The December forecast estimated visits would be off by (150) visits. The lower forecast is due to having 4 less dentist days per week with the dentist opening in Half Moon Bay and 2 less hygienist days than budgeted.
- FQHC visits were budgeted to be 17% of the payer mix in December with actual being 9%. There are technical issues implementing FQHC visits in Half Moon Bay as well as patient rescheduling workflow issues that the team is working on troubleshooting with SMMC.
- Weather and safety concerns closed the Farmworker Clinic in Pescadero on January 4th and 11th. The team chose to close the HMB clinic on January 4th due to weather predictions. The San Mateo Clinic closed at 3pm on January 4th due to staff and patient concerns about travelling safely. These closures will affect visit volume in January.
- The forecast for January visits with the open provider positions, storm closures and higher than budgeted no-show rate are (212) below budget.
- The team is working with a consultant with expertise in Open Dental and front office workflow to improve patient billing and quality assurance processes.

2. Staffing:

- The dentist increases approved by the board in November have been implemented and communicated to the staff affected.
- As a part of the Strategic Plan in the Focus Area of Sustainable Growth, there are two goals that require additional staffing:
 - Identify and assess approaches to diversify patient care revenue streams using the clinic space in new ways on evenings and/or weekend days.
 1. The team would like to hire a second dentist and hygienist for the San Mateo clinic on Saturdays. These are not budgeted positions. At the January board meeting, new revenues versus expenses will be presented and approval for two additional provider days requested.

- Enhance Financial Management Processes. This includes patient scheduling improvements, like forecasting of patients visits and monitoring the payer mix.
 1. There is an opportunity to offer a fulltime temporary CCC who speaks Spanish a permanent position at Sonrisas. The team is requesting a permanent position be approved to assist with this strategic plan goal and other tasks to improve patient visit performance.
- 3. Operations Updates:
 - The panel truck title was transferred to Samaritan House on January 12, 2023. The auto insurance policy was cancelled, and the truck was fully depreciated by December 31, 2022.
 - Samaritan House is grateful to the Sonrisas Board of Directors for the donation of the truck to serve their mission. After the truck is rebranded, there will be media to share the donation with the broader community.
- 4. Financial Update:
 - On January 13th, Sonrisas' current cash position was \$1,886,000.





DATE: January 13th, 2023

TO: SDH Board of Directors

FROM: Cheryl A. Fama, CFO
Tina Wang, Senior Accountant

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

December PERFORMANCE:

A. Revenue: Net Patient Revenue was \$224,387, \$18k below the budget.

- Total visits were 1029, 131 visits below budget.
- Total gross revenue was \$433,125 – \$70K below the budget due to fewer visits.
- Total uncompensated care deductions of **(\$208,738)**, 48% of gross revenue
A total of \$25,998 in tobacco tax revenue was recorded. This includes an estimated \$23,366 for the December and \$2,331 was received for services prior to June 1st, 2022.

B. Total Expenses: \$431,708 – \$9K below the budget

- Total Direct Expenses- \$6K better than budget due to savings in personnel cost. \$7K in lab fees were missed in November and posted in December. Total expenses for lab fees year to date remains positive to budget.
- Total Indirect Expenses - **(\$15k)** over budget due to the tuition fee for CEO's leadership training, which was covered by a \$18k grant from SVCF.

C. Donations/Grants & Other Income: \$172,641

- \$86,378 released in restricted grants including estimated \$22K billable grant installment from Sequoia Health District and \$18K grant for CEO's training fee.
- \$10,041 individual donations from the year-end campaign.
- \$75,000 in PHCD grant support.
- \$1,221 in interest income.
- \$85K grant from HPSM for operatory build out for San Mateo clinic was budgeted for release in December. However, the grant will not be released until January due to timing of invoices from the vendor.

NET INCOME- **(\$34,680) \$109K below the budget - Primarily due to a time difference in the release of the \$85k HPSM grant**



YTD PERFORMANCE:

- Performance continues to be positive to budget primarily due to:
 - While visits are under budget by 5%, total direct care expenses are under budget by 7%.
 - Fundraising will be ahead of budget in January with the release of the HPSM \$85K grant.
- As part of the CARES Act during the pandemic, Sonrisas opted into the program to defer social security tax payments. As of December, the total balance of \$44K was paid off.

YTD PERFORMANCE TO BUDGET: YTD net income is **\$91k** better than the budget. The estimated Cash-flow is **\$77k** better than budget. PHCD grant received to date is \$450,000

	YTD Actual	YTD Budget	Performance
<i>Visits</i>	<i>6744</i>	<i>6988</i>	<i>(244)</i>
Gross Patient Revenue	\$ 2,882,145	\$3,046,533	(5%)
Uncompensated Care (Deductions)	(\$1,449,162)	(\$1,591,034)	9%
Grants/Donations/Other Income	\$1,106,947	\$1,114,914	(1%)
Direct Cost	(\$1,568,976)	(\$1,686,946)	7%
Indirect Cost	(\$909,507)	(\$913,819)	0%
Net Income	\$61,447	(\$30,352)	302%
<i>Non-cash items adj.</i>			
Depreciation	\$145,922	\$163,914	11%
Capital Expenditure	(\$116,128)	(\$119,190)	2.5%
Estimated Cash Flow	\$91,241	\$14,372	534%

FINANCIAL OPERATIONS:

- The team is recommending that Sonrisas implement Insured Cash Sweep (ICS) in the Heritage Bank checking account to ensure the balance is FDIC insured. This would follow the auditor's recommendation as well as PHCD's investment policy. The cost to Sonrisas would be approximately be \$2,300 annually in checking account fees, which can be waived with a \$750K average balance. There will be a discussion and vote on this at the January board meeting.
- The team is recommending that Sonrisas move \$1.2M to a City National Bank (CNB) managed investment account. As a component program of PHCD, Sonrisas' investments should follow PHCD's investment policy. CNB is offering discounted fees to Sonrisas to manage these funds of .15% (15 basis points). The portfolio can expect to average 3-4% annually and would be professionally managed. There will be a discussion and vote on this topic at the January board meeting.

Sonrisas Dental Health
Revenues and Expenditures - Budget vs Actual
As of December 31, 2022

As of Date: 12/31/2022
Location: Sonrisas Dental Health
Restriction: Unrestricted

	Month Ending 12/31/2022			Year To Date 12/31/2022		
	Actual	Budget FY2023	Budget Diff	Actual	Budget FY2023	Budget Diff
Revenue and Expenditures						
Net Program Income						
Patient Revenue						
Patient Services						
Commercial Insurance	13,296.00	15,333.09	(2,037.09)	80,766.00	92,462.88	(11,696.88)
PPO	84,148.25	84,848.81	(700.56)	534,787.50	514,619.19	20,168.31
Public Dental Insurance	269,004.00	287,963.34	(18,959.34)	1,795,932.27	1,764,619.44	31,312.83
Private Pay	6,801.00	8,013.21	(1,212.21)	40,316.00	48,845.59	(8,529.59)
Affordable Scale	17,443.00	22,073.28	(4,630.28)	133,386.00	129,950.93	3,435.07
Farmworker	5,878.00	9,938.29	(4,060.29)	80,176.00	60,898.44	19,277.56
FQHC	36,555.00	75,466.99	(38,911.99)	216,782.00	435,136.56	(218,354.56)
Gross Patient Revenue	433,125.25	503,637.01	(70,511.76)	2,882,145.77	3,046,533.03	(164,387.26)
Uncompensated Care						
Prior Period Adjustment	6,933.67	(2,000.00)	8,933.67	(3,516.97)	(12,000.00)	8,483.03
Uncompensated Care - Commercial Insurance	(2,083.80)	(3,515.55)	1,431.75	(13,695.80)	(21,215.89)	7,520.09
Uncompensated Care - PPO	(34,584.40)	(36,488.12)	1,903.72	(219,414.34)	(221,245.78)	1,831.44
Uncompensated Care - Public Dental Insurance	(187,828.00)	(182,553.71)	(5,274.29)	(1,088,146.35)	(1,118,676.55)	30,530.20
Tobacco Tax	25,997.60	0.00	25,997.60	25,997.60	0.00	25,997.60
Uncompensated Care - Affordable Scale	(7,801.90)	(9,639.10)	1,837.20	(56,098.90)	(56,701.69)	602.79
Uncompensated Care - Farmworker	(101.00)	(2,535.10)	2,434.10	(14,436.60)	(15,534.23)	1,097.63
Uncompensated Care - FQHC	(8,067.70)	(21,812.65)	13,744.95	(65,911.80)	(133,660.48)	67,748.68
Fee Adjustments	(1,202.80)	(2,000.00)	797.20	(13,939.45)	(12,000.00)	(1,939.45)
Total Uncompensated Care	(208,738.33)	(260,544.23)	51,805.90	(1,449,162.61)	(1,591,034.62)	141,872.01
Net Patient Revenue	224,386.92	243,092.78	(18,705.86)	1,432,983.16	1,455,498.41	(22,515.25)
Total Expenses						
Direct Expenses						

Direct Personnel Expense						
Direct Program Salaries	195,082.82	202,913.99	7,831.17	1,159,548.52	1,217,483.94	57,935.42
Payroll Taxes	12,534.04	15,522.92	2,988.88	76,469.21	93,137.52	16,668.31
Unemployment Taxes	4,731.18	1,634.42	(3,096.76)	7,650.44	9,806.52	2,156.08
Benefits	5,888.81	6,400.43	511.62	35,170.71	38,402.58	3,231.87
401k Match	4,432.07	4,530.06	97.99	26,267.85	27,180.36	912.51
Worker's Comp	782.37	1,136.00	353.63	4,694.22	6,816.00	2,121.78
Continuing Education	0.00	304.00	304.00	826.36	1,824.00	997.64
License and Registration	755.75	1,072.00	316.25	7,354.65	6,432.00	(922.65)
Total Direct Personnel Expense	224,207.04	233,513.82	9,306.78	1,317,981.96	1,401,082.92	83,100.96
Clinic Expenses						
Sterilization Services	793.80	777.00	(16.80)	4,762.80	4,662.00	(100.80)
Shredding	0.00	67.00	67.00	399.00	402.00	3.00
Dental Specialist-Claims Processing	3,523.22	5,613.52	2,090.30	25,509.94	34,253.77	8,743.83
Dental Supplies	18,426.67	19,991.12	1,564.45	110,789.36	120,313.91	9,524.55
Equipment Maintenance	4,560.99	1,430.50	(3,130.49)	7,919.25	8,583.00	663.75
Small Dental Equipment	903.82	79.00	(824.82)	1,995.62	474.00	(1,521.62)
Dental Equipment Repair	2,024.37	1,785.00	(239.37)	10,428.05	10,710.00	281.95
Lab Fees	15,056.19	10,513.67	(4,542.52)	59,256.64	62,997.21	3,740.57
Uniforms	119.73	0.00	(119.73)	219.73	150.00	(69.73)
PPE& Covid Related	5,016.10	7,245.56	2,229.46	29,714.14	43,320.86	13,606.72
Total Clinic Expenses	50,424.89	47,502.37	(2,922.52)	250,994.53	285,866.75	34,872.22
Total Direct Expenses	274,631.93	281,016.19	6,384.26	1,568,976.49	1,686,949.67	117,973.18
Indirect Expenses						
Indirect Personnel Expenses						
Salaries/Wages	67,838.95	64,151.79	(3,687.16)	401,890.24	384,910.74	(16,979.50)
Payroll Taxes	4,883.54	4,901.26	17.72	30,748.91	29,407.56	(1,341.35)
Unemployment Taxes	2,239.44	799.65	(1,439.79)	2,654.46	4,797.90	2,143.44
Benefits	944.74	1,380.23	435.49	1,407.39	8,257.30	6,849.91
401k Match	1,483.73	2,460.25	976.52	8,635.58	14,761.50	6,125.92
Worker's Comp	352.88	0.00	(352.88)	2,117.28	0.00	(2,117.28)
Total Indirect Personnel Expenses	77,743.28	73,693.18	(4,050.10)	447,453.86	442,135.00	(5,318.86)
Facility Expenses						
Auto Expenses	92.75	83.00	(9.75)	1,682.18	507.50	(1,174.68)
Building Maintenance	1,802.65	1,259.00	(543.65)	9,065.44	7,554.00	(1,511.44)
Janitorial Service	2,573.98	2,560.00	(13.98)	14,949.86	15,360.00	410.14
Rent	3,484.00	3,484.00	0.00	20,904.00	20,904.00	0.00

Phone/Internet	1,193.33	1,535.00	341.67	10,593.11	9,210.00	(1,383.11)
Utilities	3,922.73	4,000.00	77.27	22,075.92	24,000.00	1,924.08
Total Facility Expenses	13,069.44	12,921.00	(148.44)	79,270.51	77,535.50	(1,735.01)
Office Expenses						
Claims Processing	467.87	200.00	(267.87)	2,729.76	1,200.00	(1,529.76)
Patient Notification	485.00	485.00	0.00	2,910.00	2,910.00	0.00
Office Supplies	824.90	1,036.00	211.10	7,154.84	6,216.00	(938.84)
Postage and Shipping	453.24	250.00	(203.24)	1,923.71	1,500.00	(423.71)
Printing Costs	0.00	100.00	100.00	0.00	600.00	600.00
Property Taxes	88.45	0.00	(88.45)	178.99	0.00	(178.99)
Employee Goodwill	1,794.56	3,271.00	1,476.44	5,861.08	5,926.00	64.92
Recruitment Expense	170.00	300.00	130.00	2,129.23	1,800.00	(329.23)
Total Office Expenses	4,284.02	5,642.00	1,357.98	22,887.61	20,152.00	(2,735.61)
Insurance						
Insurance - Auto	375.00	375.00	0.00	2,250.00	2,250.00	0.00
Insurance - Malpractice	928.83	929.00	0.17	5,572.98	5,574.00	1.02
Insurance - Liability & Property	804.00	804.00	0.00	4,824.00	4,824.00	0.00
Insurance - Directors & Officer Liability	498.82	500.00	1.18	2,992.92	3,000.00	7.08
Total Insurance	2,606.65	2,608.00	1.35	15,639.90	15,648.00	8.10
Fundraising Department						
Fundraising Expenses	1,700.70	934.67	(766.03)	52,031.04	37,623.02	(14,408.02)
Fundraising Consulting	390.00	3,750.00	3,360.00	49,572.78	48,350.00	(1,222.78)
Total Fundraising Department	2,090.70	4,684.67	2,593.97	101,603.82	85,973.02	(15,630.80)
Professional fee						
Consultant - General	3,375.00	1,666.00	(1,709.00)	6,750.00	9,996.00	3,246.00
Consultant - Professional Fees	350.00	2,650.00	2,300.00	13,398.63	15,900.00	2,501.37
Consultant - Legal	0.00	0.00	0.00	0.00	0.00	0.00
Total Professional fee	3,725.00	4,316.00	591.00	20,148.63	25,896.00	5,747.37
General						
Depreciation Expense	24,580.79	27,319.16	2,738.37	145,922.07	163,914.96	17,992.89
Marketing Expense	127.20	132.00	4.80	713.09	492.00	(221.09)
Meeting & Travel Expenses	3,754.29	530.00	(3,224.29)	5,201.78	9,680.00	4,478.22
Fees and Interest	1,905.88	1,958.00	52.12	10,764.24	11,748.00	983.76
Merchant Processing	0.00	0.00	0.00	0.00	0.00	0.00
Outreach Supplies	4.50	2,000.00	1,995.50	2,939.08	9,500.00	6,560.92
Training & Membership	18,016.43	0.00	(18,016.43)	18,391.43	0.00	(18,391.43)
Board Expense	149.20	0.00	(149.20)	1,221.87	10,560.00	9,338.13

Total General	48,538.29	31,939.16	(16,599.13)	185,153.56	205,894.96	20,741.40
Computer expense						
Computer Support	4,436.68	4,659.75	223.07	27,069.92	27,958.50	888.58
Software Support	582.00	619.00	37.00	10,279.20	12,626.00	2,346.80
Total Computer expense	5,018.68	5,278.75	260.07	37,349.12	40,584.50	3,235.38
Total Indirect Expenses	157,076.06	141,082.76	(15,993.30)	909,507.01	913,818.98	4,311.97
Total Total Expenses	431,707.99	422,098.95	(9,609.04)	2,478,483.50	2,600,768.65	122,285.15
Total Net Program Income	(207,321.07)	(179,006.17)	(28,314.90)	(1,045,500.34)	(1,145,270.24)	99,769.90
Grants and Other Income						
Grants and Donations						
Fundraiser	0.00	0.00	0.00	122,562.53	100,000.00	22,562.53
Donations	10,041.55	20,000.00	(9,958.45)	39,773.15	36,500.00	3,273.15
Grants	86,378.45	158,749.00	(72,370.55)	491,371.46	527,494.00	(36,122.54)
PHCD Grants	75,000.00	75,000.00	0.00	450,000.00	450,000.00	0.00
Total Grants and Donations	171,420.00	253,749.00	(82,329.00)	1,103,707.14	1,113,994.00	(10,286.86)
Other Income						
Interest Income	1,221.23	120.00	1,101.23	3,240.46	900.00	2,340.46
Dividends	0.00	4.00	(4.00)	0.00	24.00	(24.00)
Total Other Income	1,221.23	124.00	1,097.23	3,240.46	924.00	2,316.46
Total Grants and Other Income	172,641.23	253,873.00	(81,231.77)	1,106,947.60	1,114,918.00	(7,970.40)
Net income	(34,679.84)	74,866.83	(109,546.67)	61,447.26	(30,352.24)	91,799.50

Sonrisas Dental Health
Balance Sheet

As of Date:

12/31/2022

Location:

Sonrisas Dental Health

Year To Date

12/31/2022

Current Year Balance

Assets

Current Assets

Cash and Cash Equivalents

11205 - Operating - Boston Private Checking	231,739.10
11211 - Boston Private-CD 1	200,933.15
11213 - Boston Private-CD 3	503,959.61
11218 - Heritage -Operating	887,705.68
11600 - Petty Cash	198.84

Total Cash and Cash Equivalents 1,824,536.38

Accounts Receivable, Net

Accounts Receivable

12100 - Accounts Receivable-Patient	317,935.75
12210 - Accounts Receivable - Grants	272,228.57
12218 - Contra Acct - Allowance for Bad Debt	(5,675.96)
12220 - Accounts Receivable - Other Agencies	53,001.28

Total Accounts Receivable 637,489.64

Total Accounts Receivable, Net 637,489.64

Other Current Assets 19,320.13

Total Current Assets 2,481,346.15

Long-term Assets

Property & Equipment

17000 - Fixed Asset Clearing	66,719.27
17300 - Improvements	1,192,978.68
17400 - Equipment	1,355,594.07
17500 - Furniture/Fixtures	132,610.25
17600 - Vehicle	111,934.08
17999 - Accum Depreciation	(1,880,151.07)

Total Property & Equipment 979,685.28

Other Long-term Assets 16,297.00

Total Long-term Assets 995,982.28

Investments

Long Term Investments

11410 - Investment Acct. - Merrill Lynch	45,760.43
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Total Long Term Investments 45,760.43

Total Investments 45,760.43

Total Assets 3,523,088.86

Liabilities and Net Assets

Liabilities

Short-term Liabilities

Accounts Payable

21110 - Accounts Payable	120,535.11
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23100 - Patient Prepayments	39,428.25
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23200 - Patient Refunds Payable	6,944.47
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Total Accounts Payable	166,907.83
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Accrued Liabilities

22210 - Accrued Payroll	127,224.62
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22220 - Accrued PTO	102,396.72
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22250 - Accrued 401k Funds Payable	22,009.48
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22260 - Accrued HSA Fund Payable	138.47
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22320 - FSA Employee Account	4,415.26
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Total Accrued Liabilities	256,184.55
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Withholding Tax Payable

22230 - Accrued Payroll Taxes	58,364.74
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Total Withholding Tax Payable	58,364.74
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Total Short-term Liabilities	481,457.12
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Long Term Liabilities

Other Long-term Liabilities	5,788.26
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Total Long Term Liabilities	5,788.26
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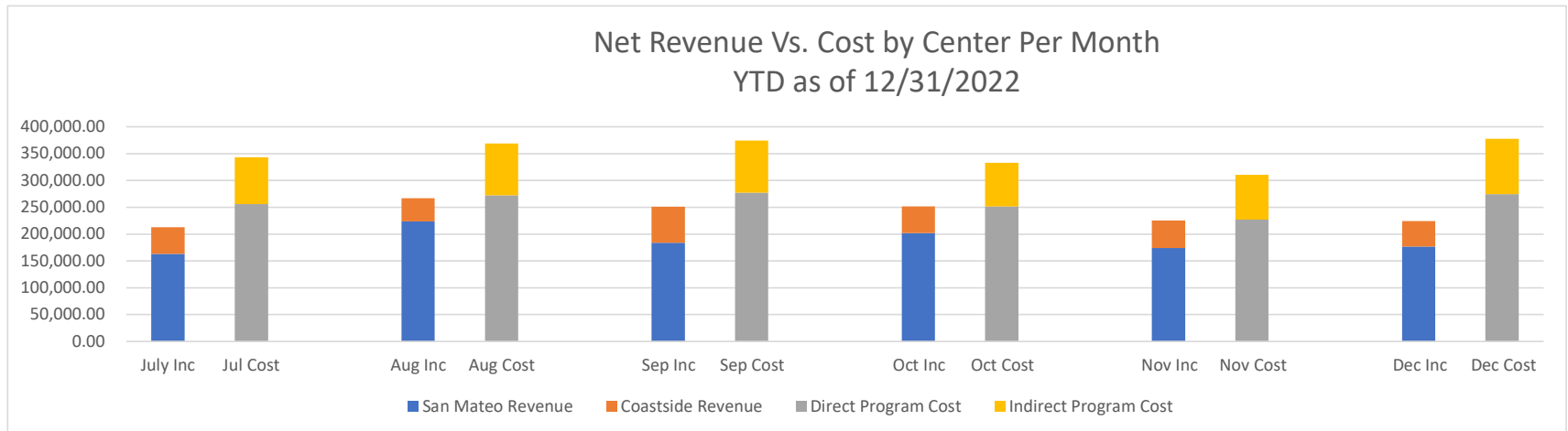
Total Liabilities	487,245.38
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Net Assets	3,035,843.48
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Total Liabilities and Net Assets	3,523,088.86
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Sonrisas Dental Health Operations									
	Jul 22	Aug 22	Sept 22	Oct 22	Nov 22	Dec 22	Total	Budget	B(W)
San Mateo Revenue	163,278	223,898	184,183	201,870	174,626	176,515	1,124,369	1,189,478	(65,109)
Coastside Revenue	49,769	43,060	66,935	49,675	51,302	47,872	308,614	266,021	42,593
Total Net Revenue	213,047	266,958	251,118	251,545	225,928	224,387	1,432,983	1,455,498	(22,516)
Direct Program Cost	256,183	282,233	277,006	251,733	227,190	274,632	1,568,977	1,686,950	117,973
Indirect Program Cost	154,232	155,632	179,014	127,721	135,832	157,076	909,507	913,819	4,312
Total Cost	410,415	437,865	456,020	379,454	363,022	431,708	2,478,484	2,600,769	122,285
TOTAL	(197,368)	(170,907)	(204,902)	(127,909)	(137,094)	(207,321)	(1,045,501)	(1,145,270)	99,769
Dividend/Other Income	177	665	704	311	163	1,221	3,241	924	2,317
Donations Received	72,463	158,009	131,839	108,870	86,106	96,420	653,707	663,994	(10,287)
Grant from PHCD	75,000	75,000	75,000	75,000	75,000	75,000	450,000	450,000	0
OTHER INCOME	147,640	233,674	207,543	184,181	161,269	172,641	1,106,948	1,114,918	(7,970)
NET INCOME	(49,728)	62,766	2,641	56,272	24,175	(34,680)	61,447	(30,352)	91,799



	22-Jul	22-Aug	22-Sep	22-Oct	22-Nov	22-Dec	Total	Budget	Variance
San Mateo Visits	789	991	802	859	777	694	4912	5274	(362)
Coastside Visits	242	332	310	305	308	335	1832	1714	118
Total Visits	1031	1323	1112	1164	1085	1029	6744	6988	(244)

Dec-22

Visits by Payer -San Mateo

	31-Dec	Budget	Variance	YTD	YTD Budget	Variance
Commercial Insurance	27	34	(7)	176	211	(35)
PPO	176	189	(13)	1137	1160	(23)
Private Pay	25	26	(1)	136	158	(22)
Affordable Scale	12	26	(14)	104	158	(54)
FQHC	78	155	(77)	468	949	(481)
Farmworker	15	17	(2)	165	105	60
Public Dental Insurance(Adult)	127	103	24	873	634	239
Public Dental Insurance (Child)	234	310	(76)	1853	1899	(46)
Total Visits	694	860	(166)	4912	5274	(362)

Visits by Payer -Coastside

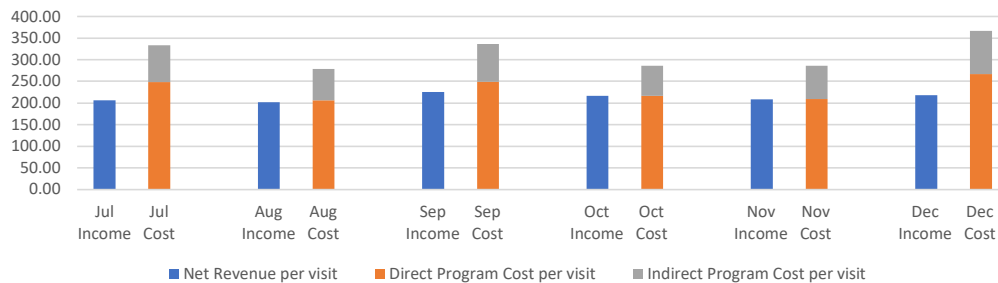
	31-Dec	Budget	Variance	YTD	YTD Budget	Variance
Commercial Insurance	10	9	1	55	51	4
PPO	54	30	24	256	171	85
Private Pay	2	3	(1)	10	17	(7)
Affordable Scale	34	42	(8)	202	240	(38)
FQHC	1	30	(29)	3	90	(87)
Farmworker			0			0
Public Dental Insurance (Adult)	155	99	56	813	648	165
Public Dental Insurance (Child)	79	87	(8)	492	497	(5)
Total Visits	335	300	35	1831	1714	117

Avg. Income (Loss) per Visit				
	YTD	Budget YTD*	FY22	
Net Revenue per Visit	\$ 212.77	208.29	\$	185.47
Direct Cost per Visit	\$ (232.67)	(230.69)	\$	(210.98)
Indirect Cost per Visit*	\$ (82.01)	(83.36)	\$	(79.73)
Net Income per Visit	\$ (101.91)	(105.76)	\$	(105.24)

* Indirect cost excludes costs in outreach program and fundraising department

* HPSM 10% increase will be in Budget after January 2022

Net Revenue Per Visit Vs. Cost Per Visit
Per Month YTD as of 12/30/2022



Sonrisas Dental Health Operations Dec 22 VS. Dec 21			
	Dec-22	Dec-21	Variance B(W)
Visits	1029	1016	13
San Mateo Revenue	176,515	167,317	9,198
Coastside Revenue	47,872	(35)	47,907
Total Net Revenue	224,387	167,282	57,105
Direct Program Cost	274,632	248,764	(25,868)
Indirect Program Cost	157,076	144,315	(12,761)
Total Cost	431,708	393,079	(38,629)
TOTAL	(207,321)	(225,797)	18,476
Dividend/Other Income	1,221	181	1,040
Donations Received	96,420	124,383	(27,963)
Grant from PHCD	75,000	75,000	0
Grants and Donations	172,641	199,564	(26,923)
NET INCOME	(34,680)	(26,233)	(8,447)





DATE: January 13, 2022
TO: SDH Board of Directors
FROM: Maura LeBaron-Hsieh, MPH, Director of Development
RE: **Development Update**

In late December 2022 and early January 2023, the Development Team concluded our calendar-year-end fundraising appeal, reviewed progress on our annual targets, and began work on a substantial number of mid-year grant reports.

As of December 31, 2022, we have raised \$1,577,325 (75%) of our \$2,089,990 FY22-23 fundraising goal (includes \$900K PHCD support). Please see the attached Fundraising Report for visual overview.

1. Individual Donations

- As of December 31, 2022, we have received \$150,992 in individual donations and sponsorships in FY22-23.
- This month, the team's top priority in Individual Donations is our Major Donor program, in which we are continuing to build relationships with newer donors who came to Sonrisas via Cooking for a Cause.

2. Grant Seeking

- Sonrisas has been awarded \$526,333 in grants as of December 31, 2022, representing 54% of our annual grant target. We are currently preparing mid-year reporting for multiple grants and will be submitting further proposals in the coming weeks and months.

3. Events

- The Development Team has begun planning our spring Donor Cultivation event with guidance from the Board Development Committee. You will recall this important event format from our discussion at the November 2022 SDH Board Meeting.

Donor Cultivation Event Concept:

- Relaxed informal event in the Spring for ~40 guests between Redwood City and San Mateo
- Brief, engaging agenda about Sonrisas
- Board members, leadership, key clinical staff attend
- Sponsored location and refreshments (sponsorship target ~\$5K – monetary, or in-kind e.g. event space)
- Location is a donor's home or an underwritten location
- Invitees brought to event by Sonrisas network
- NO ASK – not a fundraiser

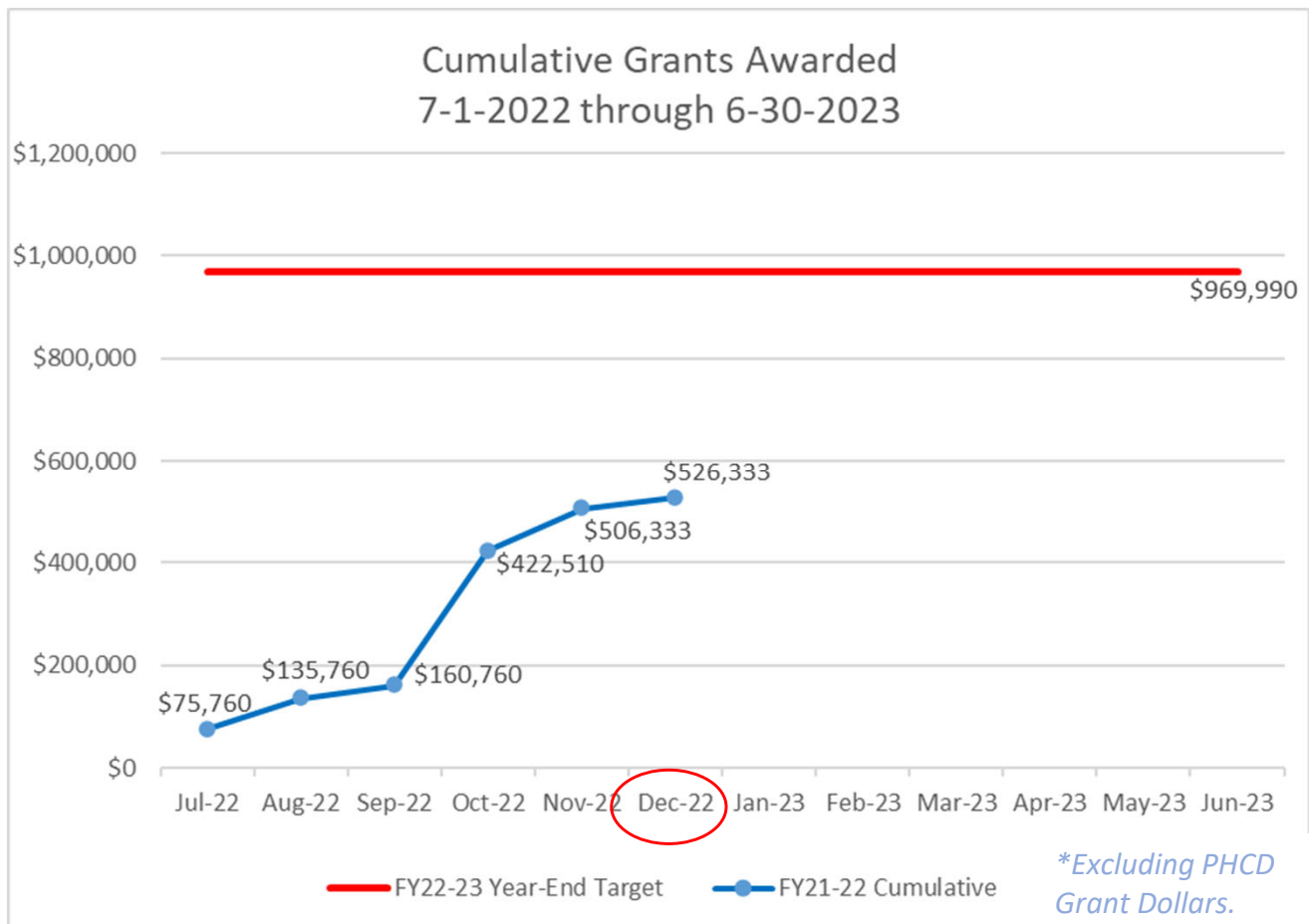
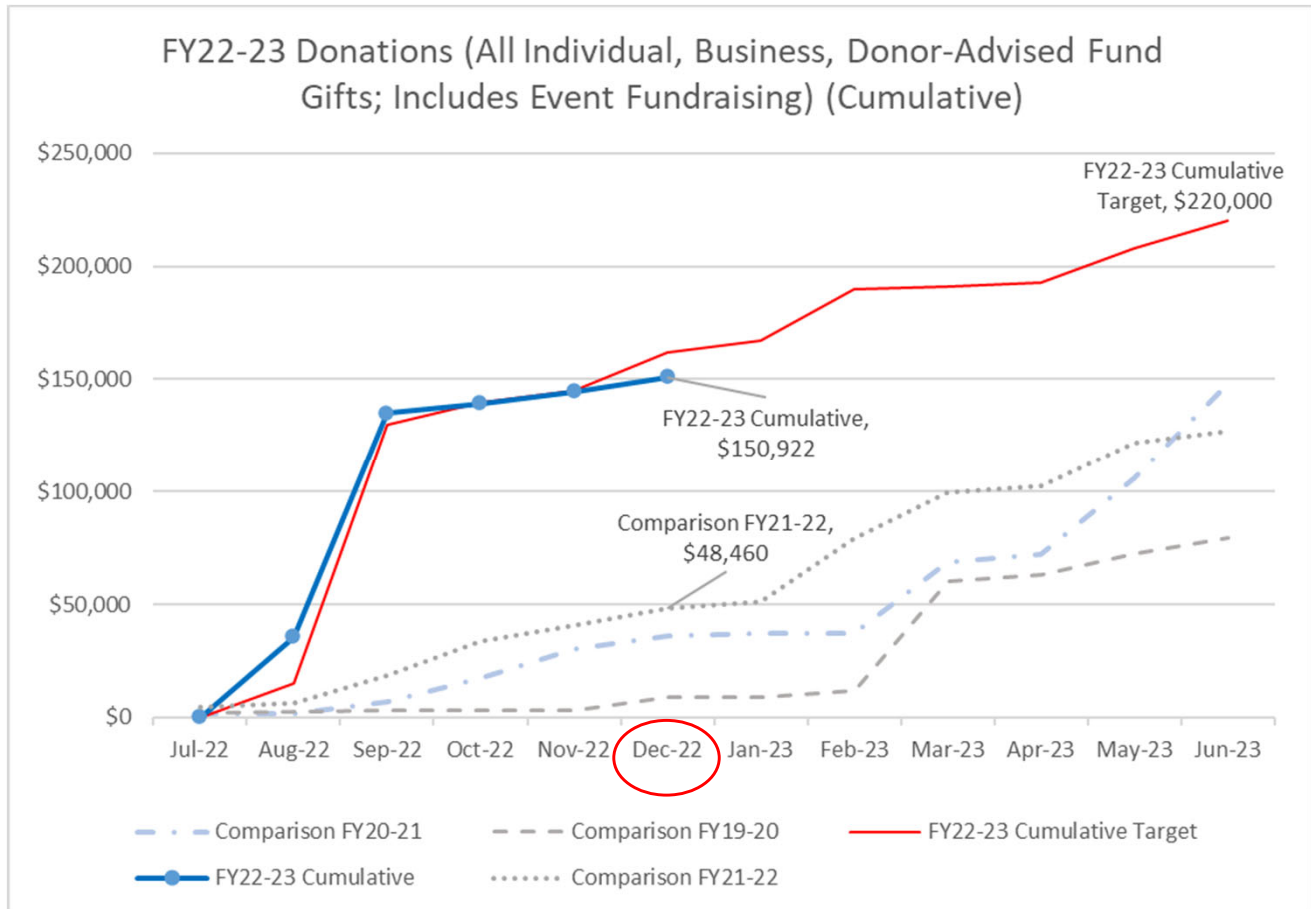
Select Event Goals:

- Tell our story & increase our visibility on the Peninsula
- Set the stage for future conversations with potential donors and ambassadors
 - Board invites 20+ guests who do not know Sonrisas well
 - 10+ attendees show interest in meeting further with Tracey, Maura, or a Board member to deepen engagement

Current Focus:

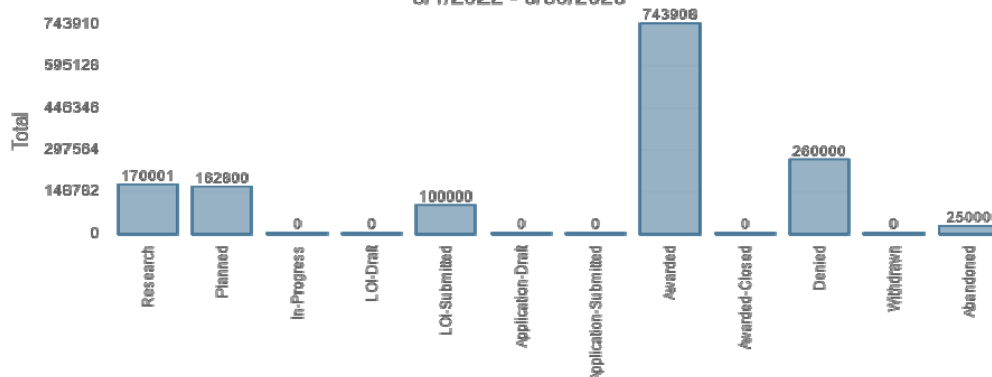
- Seeking event sponsorship and network connections (goal: set a location and date based on sponsor)

SDH Fundraising Report FY22-23 Through Dec 31, 2022



Opportunities By Status

3/1/2022 - 6/30/2023



Funder	Funding Opportunity	Funding Category	Deadline	Amount Projected	Amount Awarded	Status
Atkinson Foundation	2022 Senior Programs Grant	Access to Care, Seniors, Outreach	2/1/2022	\$15,000	\$7,500	Awarded
Delta Dental Community Care Foundation	FY22-23 Senior ATC Grant	Access to Care, Seniors, Outreach	3/25/2022	\$100,000	\$100,000	Awarded
The Comcast Nbcuniversal Foundation	2022 Project Innovation	School Screenings	3/25/2022	\$0	\$0	Denied
Kaiser Permanente Community Health	FY22-23 Kaiser Safety Net Grant	Access to Care	3/25/2022	\$25,000	\$25,000	Awarded
Sequoia Healthcare District	FY21-22 Sequoia Healthcare District ATC Q3 Invoice	General Operations	4/4/2022	\$60,000	\$60,000	Awarded
City of Burlingame	2022 Community Funding Information	Access to Care	4/15/2022	\$5,000	\$1,760	Awarded
Mills Peninsula Hospital (Sutter Health)	2022 RFP Mills Sutter Health	Access to Care, School Screenings	4/29/2022	\$20,000	\$20,000	Awarded
First 5 San Mateo County	2022 First Five Oral Health Extension	School Screenings, Access to Care Children	4/30/2022	\$50,000	\$54,075	Awarded
AstraZeneca Corporate Contributions Program	2022 RFP AstraZeneca	School Screenings, Access to Care Children	5/13/2022	\$0	\$0	Denied
City of Half Moon Bay	FY22-23 CSFA Grant	Access to Care	5/15/2022	\$14,000	\$14,000	Awarded
Chan Zuckerberg Initiative Foundation	2022-2024 CZI Community Fund	General Operations	6/30/2022	\$100,000	\$100,000	Awarded
Sequoia Healthcare District	FY21-22 Sequoia Healthcare District ATC Q4 Invoice and Final Report	General Operations	7/5/2022	\$60,000	\$60,000	Awarded
Workforce Matters	https://www.granthubonline.com/2022 Workforce Equity Fund Grant	Workforce Development	7/31/2022	\$0	\$0	Denied
Woodlawn Foundation	2022 Woodlawn Foundation Grant	Access to Care, Seniors	8/4/2022	\$25,000	\$25,000	Awarded
AmFund (American Fundraising Foundation, Inc.)	2022 Golden Pear	General Operations	8/10/2022	\$0	\$0	Denied
Lucile Salter Packard Childrens Hospital at Stanford	2022-23 RFP LPCH	School Screenings, Access to Care Children, Outreach	9/15/2022	\$75,000	\$75,000	Awarded
The San Bruno Community Foundation	2023 San Bruno Community Foundation	School Screenings, Access to Care Children	9/22/2022	\$10,000	\$10,000	Awarded
Stanford Health Care	2022-23 Stanford RFP	Access to Care	9/23/2022	\$75,000	\$68,000	Awarded
Silicon Valley Community Foundation	SVCF Leadership Investment Application	General Operations	9/30/2022	\$18,000	\$18,750	Awarded
American Academy of Pediatric Dentistry	2022 AAPD	School Screenings, Access to Care Children	10/1/2022	\$0	\$0	Denied
Sequoia Healthcare District	FY22-23 Sequoia Healthcare District ATC Q1 Invoice	Access to Care, School Screenings, Seniors, Outreach	10/1/2022	\$83,823	\$83,823	Awarded
Dignity Health-Sequoia Hospital	2023 Dignity Health Grant	School Screenings, Access to Care Children	10/7/2022	\$20,000	\$20,000	Awarded
Sequoia Healthcare District	FY22-23 Sequoia Healthcare District Q2 Invoice	Access to Care, School Screenings, Seniors, General Operations, Outreach	1/15/2023	\$71,400	\$0	In-Progress
CareQuest Institute for Oral Health	Advancing Equity in Oral Health Fund: Community Voice	Patient Engagement	1/12/2023	\$100,000	\$0	LOI-Submitted
Atkinson Foundation	2023 Senior Program Atkinson Foundation	Seniors, Outreach, Access to Care	2/1/2023	\$0	\$0	Research
The Comcast Nbcuniversal Foundation	2023 Project Innovation		2/15/2023	\$40,000	\$0	Research
Bank of America Charitable Foundation, Inc.	2023 Health		2/17/2023	\$0	\$0	Research
Delta Dental Community Care Foundation	2023-24 Delta Dental	Seniors, Outreach, Access to Care	3/1/2023	\$100,000	\$0	Research
Mills Peninsula Hospital (Sutter Health)	2023 Grant Mills Peninsula Foundation	Access to Care Children, School Screenings	3/1/2023	\$20,000	\$0	Planned
Bothin Foundation	2023 Capacity Grant- Water Free System?		3/3/2023	\$0	\$0	Research
Silicon Valley Community Foundation	2023 Health Grants		3/15/2023	\$0	\$0	Research
COASTSIDE WOMENS CLUB	FY20 Coastside GO Grant	General Operations	3/15/2023	\$1	\$0	Research
Oral Health Foundation of the Pierre Fauchard Academy	2021 RFP	Access to Care	3/15/2023	\$5,000	\$0	Research
Patterson Foundation	2023 Patterson Foundation Seniors?		4/1/2023	\$0	\$0	Research
California Dental Association Foundation	2023 Henry Schein Cares	Supplies	4/3/2023	\$0	\$0	Research
Sequoia Healthcare District	FY22-23 Sequoia Healthcare District Q3 Invoice	Access to Care, School Screenings, Seniors, General Operations, Outreach	4/4/2023	\$71,400	\$0	Planned
City of Burlingame	2023 Community Funding Grant Burlingame	Access to Care	4/14/2023	\$0	\$0	Research
City of Half Moon Bay	2023 Community Grant HMB	Access to Care	4/14/2023	\$20,000	\$0	Research
AstraZeneca Corporate Contributions Program	2023 AstraZeneca		4/14/2023	\$20,000	\$0	Research
Cigna Foundation	2023 Cigna		5/15/2023	\$0	\$0	Research
Genentech	2023 Genentech Health Equity & Diversity in STEM Innovation Fund		6/1/2023	\$0	\$0	Research
Wells Fargo Foundation	FY23-24 Wells Fargo		6/15/2023	\$0	\$0	Research
Kaiser Permanente Community Health	2023 Kaiser RFP		6/30/2023	\$0	\$0	Research
Totals				\$1,203,624	\$742,908	43
				as of 1/12/2022		