

**VISTA DEL MAR CHILD AND
FAMILY SERVICES**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

VISTA DEL MAR CHILD AND FAMILY SERVICES

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Vista Del Mar Child and Family Services

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vista Del Mar Child and Family Services (Vista Del Mar), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Vista Del Mar as of June 30, 2023, and the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Vista Del Mar 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 the 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 Vista Del Mar's ability to continue as a going concern for one year after the date that the financial statements are 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
Vista Del Mar Child and Family Services

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 Vista Del Mar'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vista Del Mar's ability to continue as a going concern for a reasonable period of time.

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.

Green Hasson & Janks LLP

December 15, 2023
Los Angeles, California

VISTA DEL MAR CHILD AND FAMILY SERVICES

STATEMENT OF FINANCIAL POSITION

June 30, 2023

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
Cash and Cash Equivalents	\$ 687,337	\$ -	\$ 687,337
Restricted Certificate of Deposit (Note 8)	363,659	-	363,659
Investments (Note 3)	10,707,459	10,120,426	20,827,885
Accounts Receivable (Net)	9,401,016	-	9,401,016
Pledges Receivable (Net) (Note 4)	1,671,382	-	1,671,382
Employee Retention Credit Receivable	5,861,542	-	5,861,542
Prepaid Expenses and Other Assets	1,237,066	-	1,237,066
Beneficial Interest in Charitable Remainder Trusts (Note 5)	-	3,379,189	3,379,189
Right-of-Use Assets	1,020,772	-	1,020,772
Property and Equipment (Net) (Note 7)	22,476,196	-	22,476,196
TOTAL ASSETS	\$ 53,426,429	\$ 13,499,615	\$ 66,926,044
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts Payable	\$ 3,161,305	\$ -	\$ 3,161,305
Accrued Liabilities (Note 8)	3,268,298	-	3,268,298
Lines of Credit (Note 10)	7,622,192	-	7,622,192
Deferred Revenue (Note 11)	419,103	-	419,103
Lease Liabilities (Note 12)	1,025,133	-	1,025,133
Annuities Payable (Note 13)	10,401	-	10,401
TOTAL LIABILITIES	15,506,432	-	15,506,432
NET ASSETS:			
Without Donor Restrictions	37,919,997	-	37,919,997
With Donor Restrictions (Note 15)	-	13,499,615	13,499,615
TOTAL NET ASSETS	37,919,997	13,499,615	51,419,612
TOTAL LIABILITIES AND NET ASSETS	\$ 53,426,429	\$ 13,499,615	\$ 66,926,044

The Accompanying Notes are an Integral Part of These Financial Statements

VISTA DEL MAR CHILD AND FAMILY SERVICES

STATEMENT OF ACTIVITIES Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PROGRAM SERVICE REVENUE:			
Governmental Revenue			
Residential	\$ 13,560,723	\$ -	\$ 13,560,723
Education	3,820,970	-	3,820,970
Outpatient	8,073,865	-	8,073,865
Community-Based Services	7,226,237	-	7,226,237
Client Service Fees	2,424,118	-	2,424,118
TOTAL PROGRAM SERVICE REVENUE	35,105,913	-	35,105,913
PUBLIC SUPPORT:			
Grants and Contributions	418,578	3,982,479	4,401,057
Legacies and Bequests	318,083	227,277	545,360
Special Events (Net of Direct Donor Benefit Expenses of \$181,129)	481,652	384,483	866,135
In-Kind Contributions	389,800	-	389,800
TOTAL PUBLIC SUPPORT	1,608,113	4,594,239	6,202,352
TOTAL PROGRAM SERVICE REVENUE AND PUBLIC SUPPORT	36,714,026	4,594,239	41,308,265
OPERATING EXPENSES:			
Program Services	39,256,185	-	39,256,185
Management and General Development	7,061,501	-	7,061,501
	2,817,297	-	2,817,297
TOTAL OPERATING EXPENSES	49,134,983	-	49,134,983
Net Assets Released from Donor Restrictions	5,229,685	(5,229,685)	-
CHANGE IN NET ASSETS BEFORE OTHER INCOME (LOSS)	(7,191,272)	(635,446)	(7,826,718)
Investment Return (Net)	627,516	127,810	755,326
Other Income	1,650,074	-	1,650,074
Employee Retention Credit	5,861,542	-	5,861,542
Change in Value of Beneficial Interest in:			
Charitable Remainder Trusts	-	(1,122,739)	(1,122,739)
Perpetual Trust	-	(250,356)	(250,356)
CHANGE IN NET ASSETS	947,860	(1,880,731)	(932,871)
Net Assets - Beginning of Year	36,972,137	15,380,346	52,352,483
NET ASSETS - END OF YEAR	\$ 37,919,997	\$ 13,499,615	\$ 51,419,612

The Accompanying Notes are an Integral Part of These Financial Statements

VISTA DEL MAR CHILD AND FAMILY SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

	Program Services					Supporting Services			Total Expenses	
	Residential	Educational	Outpatient	Community		Management and General	Development	Total		
				Based Services	Other Program					Total
Salaries and Wages	\$ 7,086,879	\$ 3,355,906	\$ 6,489,454	\$ 3,238,421	\$ 758,763	\$ 20,929,423	\$ 2,436,555	\$ 709,017	\$ 3,145,572	\$ 24,074,995
Payroll Taxes and Employee Benefits	1,964,182	773,819	1,405,753	683,138	131,678	4,958,570	424,991	124,845	549,836	5,508,406
TOTAL PERSONNEL COSTS	9,051,061	4,129,725	7,895,207	3,921,559	890,441	25,887,993	2,861,546	833,862	3,695,408	29,583,401
Occupancy	1,294,554	690,469	898,123	430,833	97,764	3,411,743	248,286	196,777	445,063	3,856,806
Contract and Professional Services	980,000	104,736	169,560	200,225	370,755	1,825,276	3,162,154	731,501	3,893,655	5,718,931
Direct Services	579,965	197,378	280,523	1,962,670	56,166	3,076,702	17,299	52,091	69,390	3,146,092
Depreciation	284,106	242,650	53,721	46,056	4,859	631,392	172,520	430,631	603,151	1,234,543
Supplies	629,456	83,470	140,657	230,370	10,023	1,093,976	152,564	42,404	194,968	1,288,944
In-Kind Expense	-	25,035	-	283,259	-	308,294	-	81,506	81,506	389,800
Transportation Costs	101,683	597,299	36,427	35,055	88	770,552	6,703	316	7,019	777,571
Food and Provisions	614,919	306,436	1,034	2,961	1,340	926,690	893	-	893	927,583
Liability Insurance	197,464	90,899	132,165	64,145	11,361	496,034	30,126	7,598	37,724	533,758
Telephone and Postage	44,464	15,525	91,887	103,957	1,272	257,105	97,119	15,674	112,793	369,898
Publications, Printing and Artwork	19,423	36,178	9,867	65,762	124,770	256,000	41,480	70,746	112,226	368,226
Conferences and Meetings	67,872	24,377	12,444	120,677	15,599	240,969	43,131	228,526	271,657	512,626
Miscellaneous	6,154	9,430	18,001	32,581	7,293	73,459	227,680	125,665	353,345	426,804
TOTAL FUNCTIONAL EXPENSES	\$ 13,871,121	\$ 6,553,607	\$ 9,739,616	\$ 7,500,110	\$ 1,591,731	\$ 39,256,185	\$ 7,061,501	\$ 2,817,297	\$ 9,878,798	\$ 49,134,983
						79%	15%	6%		100%

The Accompanying Notes are an Integral Part of These Financial Statements

VISTA DEL MAR CHILD AND FAMILY SERVICES

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ (932,871)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Adjustment to Government Contract Reserve	222,585
Contributions Restricted for Investment in Perpetuity	(395,167)
Depreciation	1,234,543
Bad Debt Expense	1,388
Loss on Disposal of Property and Equipment	77,894
Realized and Unrealized Gains on Investments	(223,343)
Change in Value of Beneficial Interests in Charitable Remainder Trusts	1,122,739
Change in Value of Beneficial Interest in Perpetual Trust	250,356
Change in Present Value Discount on Pledges Receivable	(49,093)
(Increase) Decrease in:	
Restricted Certificate of Deposit	499,438
Accounts Receivable	1,169,362
Pledges Receivable	670,000
Employee Retention Credit Receivable	(5,861,542)
Prepaid Expenses and Other Assets	(595,270)
Right-of-Use Assets	261,143
Increase (Decrease) in:	
Accounts Payable	2,118,021
Accrued Liabilities	(2,646,513)
Deferred Revenue	(1,976,329)
Lease Liabilities	(256,782)
NET CASH USED IN OPERATING ACTIVITIES	(5,309,441)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment	(2,236,845)
Purchase of Investments	(589,650)
Proceeds from Sale of Investments	577,704
Reinvested Interest and Dividends	(620,181)
NET CASH USED IN INVESTING ACTIVITIES	(2,868,972)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments to Annuitants	(3,850)
Distributions from Perpetual Trust	462,203
Distribution from Charitable Remainder Trusts	38,673
Contributions Restricted for Investment in Perpetuity	395,167
Contributions for Campus Improvements	1,379,125
Net Proceeds from Lines of Credit	4,722,192
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,993,510

NET DECREASE IN CASH AND CASH EQUIVALENTS

	(1,184,903)
Cash and Cash Equivalents - Beginning of Year	1,872,240
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 687,337

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid During the Year for Interest	\$ 93,824
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SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Non-Cash Impact of Implementation of Accounting Standards Update No. 2016-02, <i>Leases (Topic 842)</i>	
Increase in Right-of-Use Assets	\$ 1,281,915
Increase in Lease Liabilities	1,281,915

The Accompanying Notes are an Integral Part of These Financial Statements

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - ORGANIZATION

Founded in 1908, Vista Del Mar Child and Family Services (Vista Del Mar) originally served as an orphanage for children whose parents could not care for them due to illness, poverty or death. As societal needs have evolved, Vista Del Mar continues to keep pace by fulfilling the changing needs of the community. More than a century later, Vista Del Mar provides a breadth of programs and services, including an array of offerings for children with autism, developmental disorders and troubled family situations. Enhanced over the years by strategic mergers with such organizations as Family Service of Santa Monica, the Reiss-Davis Child Study Center, Julia Ann Singer Center, and Home-SAFE, and the establishment of a pre-K through 12th grade Non-Public School, Vista Del Mar each year serves more than 5,000 children and families in a unique environment of clinical excellence and caring professionalism. More information on Vista Del Mar can be found at its website at www.vistadelmar.org.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions.
- **Net Assets With Donor Restrictions.** Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) CASH AND CASH EQUIVALENTS

Vista Del Mar has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of three months or less at the time of purchase. The carrying value of cash and cash equivalents at June 30, 2023 approximates its fair value.

(d) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Securities are generally held in custodial investment accounts administered by financial institutions. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. The change in unrealized gains and losses is included in investment return (net) in the statement of activities and represents the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

(e) REVENUE RECOGNITION, ACCOUNTS AND PLEDGES RECEIVABLE

Vista Del Mar recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. Vista Del Mar reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Pledges are discounted to their present value when payments are expected in future periods exceeding one year. These discounts are recorded as reductions to contribution revenue and pledges receivable, and are adjusted annually.

Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. At June 30, 2023, Vista Del Mar had no conditional contributions.

A discount rate of 3% was used to calculate the present value of pledges receivable, which amounted to \$64,480 at June 30, 2023. At June 30, 2023, Vista Del Mar evaluated the collectability of pledges receivable, and an allowance for doubtful pledges of \$14,138 was established.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) REVENUE RECOGNITION, ACCOUNTS AND PLEDGES RECEIVABLE (continued)

Vista Del Mar's governmental revenue is primarily derived from cost reimbursement grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Such grants are generally considered nonreciprocal transactions restricted by the awarding agencies for certain purposes. Amounts received are recognized as revenue when Vista Del Mar has satisfied the specific performance requirements or incurred expenditures in compliance with specific contract or grant provisions. Vista Del Mar has elected to adopt a policy whereby donor-restricted grants and contributions that were initially conditional and whose conditions and restrictions are met in the same reporting period are recognized as revenue without donor restrictions. Amounts received prior to incurring qualifying expenditures or fulfilling the specific performance obligations are reported as deferred revenue in the statement of financial position.

Vista Del Mar's revenues from contracts with customers are primarily generated from adoption service fees, patient care service revenue, and graduate school tuition and are included in client service fees in the statement of activities. Adoption service fees, including home study fees, are recognized over the period of the home study process. Patient care service revenue is recognized when the services are provided. Tuition is recognized as the educational services are provided and is presented net of student financial aid of \$227,518. Patient care service receivables totaled \$1,137,509 at June 30, 2023 while there were no significant adoption or tuition receivables. Vista Del Mar evaluated the collectability of patient care service receivables at June 30, 2023 and determined all balances to be collectible. As a result, no allowance for uncollectible accounts was established at June 30, 2023. There was no deferred revenue related to adoption service fees, patient care service revenue, or graduate school tuition at June 30, 2023.

Vista Del Mar performs services under contracts that are administered by the Los Angeles County Department of Mental Health (LACDMH) involving local, state and federal government funds. Contract service payments are generally provided monthly but are subject to approval by the various funding agencies. Final settlements with the various funding agencies are usually provided within one to ten years, with initial findings in many cases not available for three or four years after funding. As a result, Vista Del Mar establishes reserves for claims made, for disputed claims and for unexamined years. At June 30, 2023, the LADMH reserve of approximately \$500,000 is netted against accounts receivable.

During the year ended June 30, 2023, Vista Del Mar filed for the Employee Retention Credit (ERC), a refundable payroll tax credit program enacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. Vista Del Mar has accounted for the ERC as a conditional government grant and considers that it substantially met the various conditions prescribed in the ERC program for the period of January 2021 through June 2021 and accordingly, recognized ERC income of \$5,861,542 during the year ended June 30, 2023. Subsequent to year end, \$2,964,514 was collected from the Internal Revenue Service, and the remaining balance is expected to be collected within one year.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) CONCENTRATIONS

Vista Del Mar places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Vista Del Mar has not incurred losses related to these investments and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The accounts receivable balance outstanding at June 30, 2023 consists primarily of government contract receivables due from county, state, and federal granting agencies. As a result, concentration of credit risks with respect to such receivables is limited.

Approximately 79% of Vista Del Mar's program service revenue and public support is provided by various government agencies. Vista Del Mar anticipates that it will continue to run these programs although there can be no assurance that Vista Del Mar will be able to obtain future grant agreements upon the expiration of the current term of the contracts.

(g) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Vista Del Mar recognizes and measures its leases in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*. Vista Del Mar is a lessee in certain operating leases for facilities and vehicles. Vista Del Mar determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Vista Del Mar recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise Vista Del Mar uses the risk-free rate. The implicit rates of Vista Del Mar's leases are not readily determinable and accordingly, Vista Del Mar uses the risk-free rate at the commencement date of the lease.

The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Vista Del Mar has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that Vista Del Mar is reasonably certain to exercise. Vista Del Mar recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

(h) LEGACIES AND BEQUESTS

Vista Del Mar has been designated as the beneficiary in numerous wills. Bequests are not recognized as support until all of the following conditions are met: the demise of a testator, the amount of the bequest is known, and Vista Del Mar is certain that, based on the estates' net assets, the amount bequeathed is realizable.

(i) BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

Vista Del Mar holds remainder interests in various other irrevocable charitable remainder trusts. Vista Del Mar recognizes contribution revenue with donor restrictions and, as an asset, the present value of the estimated future benefits to be received when the trust assets are distributed. Adjustments to the asset to reflect the revaluation of the present value of the estimated future payments to the lifetime beneficiaries are recognized in the statement of activities as a change in value of beneficial interest in charitable remainder trusts.

(j) BENEFICIAL INTEREST IN PERPETUAL TRUST

Annual distributions from perpetual trusts administered by trustees other than Vista Del Mar are reported as investment income. Adjustments to the beneficial interest to reflect changes in the fair value, as reported by the trustees, are reflected in the statement of activities as a change in value of beneficial interest in perpetual trust. During the year ended June 30, 2023, final distributions from a perpetual trust were received and the trust was dissolved.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year.

The estimated useful lives are as follows:

Building and Improvements	10 - 30 Years
Land Improvements	30 Years
Electronic Clinical Records System	10 Years
Leasehold Improvements	10 - 30 Years
Furniture and Equipment	3 - 30 Years
Vehicles	5 Years

Property and equipment funded by government contracts where title to the assets is retained by the government agencies are not capitalized.

Expenditures for repairs and maintenance are charged to expense as incurred while renewals and betterments are capitalized.

(l) LONG-LIVED ASSETS

Vista Del Mar reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2023.

(m) ANNUITIES PAYABLE

Assets contributed by donors under gift annuity agreements and controlled by Vista Del Mar are recognized at fair value with a corresponding liability to beneficiaries of the annuity agreements. The excess of the cash received over the present value of the annuity obligation is recorded as contribution revenue on the date the annuity gift is received and the liability is determined. Such liability is calculated as the present value of the estimated future cash flows to be distributed to the income beneficiaries over their expected lives. Amortization of the discount and changes in actuarial assumptions are included in the change in value of annuities payable in the statement of activities.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) IN-KIND CONTRIBUTIONS

Contributions of donated non-cash assets are recorded at fair value in the period received and expensed when utilized. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, were provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are valued based upon estimates of fair market value that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

A substantial number of volunteers have donated significant amounts of their time to Vista Del Mar. Some of the services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized as revenue.

For the year ended June 30, 2023, in-kind contributions and expense were comprised of the following:

Nature of Expense	Restrictions	Valuation	Activity	Amount
Professional Services	None	Standard Hourly Rates Charged by the Service Provider	Community-Based Services and Development	\$ 288,260
Tickets and Gift Cards	None	Published Ticket Prices and Value of Gift Cards	Community- Based Services and Development	7,300
Supplies	None	Standard Industry Price	Community-Based Services	94,240
TOTAL IN-KIND CONTRIBUTIONS				\$ 389,800

(o) INCOME TAXES

Vista Del Mar is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

In accordance with FASB's ASC Topic 740, *Uncertainty in Income Taxes*, Vista Del Mar recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2023, Vista Del Mar performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing Vista Del Mar's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. Vista Del Mar uses full-time equivalents to allocate indirect costs.

(q) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

(r) NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, intended to improve financial reporting about leasing transactions. The new standard requires organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also requires disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the financial statements. The ASU is effective for fiscal years beginning after December 15, 2021. Vista Del Mar adopted the ASU with a date of the initial application of July 1, 2022 using the optional transition method which allows entities to continue to apply historical accounting guidance in the comparative periods presented in the year of adoption. Vista Del Mar elected to apply the following package of practical expedients on a consistent basis permitting entities not to reassess: (i) whether any expired or existing contracts are or contain a lease; (ii) lease classification for any expired or existing leases and (iii) whether initial direct costs for any expired or existing leases qualify for capitalization under the amended guidance. Additionally, Vista Del Mar applied the practical expedient to include both the lease and non-lease components as a single component and account for it as a lease. The impact of adopting the amended guidance primarily relates to the recognition of ROU assets and lease liabilities on the statement of financial position for all leases previously classified as operating leases. Vista Del Mar recognized \$1,281,915 of ROU assets and \$1,281,915 of related lease liabilities as of July 1, 2022 for contracts that are classified as operating leases. Leases with an initial term of 12 months or less have not been recorded on the statement of financial position. Refer to Note 12 for additional disclosures related to Vista Del Mar's accounting for leases.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) NEW ACCOUNTING PRONOUNCEMENTS (continued)

In June 2016, FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* replaces the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurement. The guidance has subsequently been amended through a series of targeted ASUs. For Vista Del Mar the ASU and the subsequent amendments will be effective for the year ending June 30, 2024 and are expected to be adopted using the modified-retrospective approach.

(s) SUBSEQUENT EVENTS

Vista Del Mar has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2023 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 15, 2023, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred except as described in Note 2 (e), Note 10 and Note 14(b).

NOTE 3 - INVESTMENTS

Investments at June 30, 2023 consist of the following:

Cash Equivalents	\$	279,922
Equities - Common Stock		219,925
Fixed Income Mutual Funds		7,921,600
Equities - Exchange Traded Fund		7,058,704
Fixed Income - Exchange Traded Fund		95,570
Other Exchange Traded Fund		2,501,852
Alternative Investments		<u>2,750,312</u>
TOTAL INVESTMENTS	\$	<u><u>20,827,885</u></u>

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2023 are due to be collected as follows:

Due within One Year	\$ 500,000
Due in Two to Five Years	<u>1,250,000</u>
GROSS PLEDGES RECEIVABLE	1,750,000
Less: Present Value Discount	(64,480)
Less: Allowance for Doubtful Pledges	<u>(14,138)</u>
PLEDGES RECEIVABLE (NET)	<u>\$ 1,671,382</u>

NOTE 5 - BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

Vista Del Mar holds remainder interests in irrevocable charitable remainder trusts. Vista Del Mar is the beneficiary in varying amounts of the distributions of the trusts. Assets held in charitable remainder trusts totaled \$3,379,189 at June 30, 2023, representing the portion of the net present value of the charitable remainder trusts for which Vista Del Mar is the designated beneficiary.

Vista Del Mar has been named as a beneficiary for several living trusts and wills. Due to the conditional nature of these trusts and wills, no amounts have been recorded on the accompanying financial statements.

NOTE 6 - FAIR VALUE MEASUREMENTS

Vista Del Mar has implemented the fair value accounting standard for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. The standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability). Investments in alternative investments are valued using net asset value (NAV) per share of units held by Vista Del Mar.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS June 30, 2023

NOTE 6 - FAIR VALUE MEASUREMENTS (continued)

The following table presents information about Vista Del Mar's assets and liabilities that are measured at fair value on a recurring basis at June 30, 2023 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2023	Fair Value Measurements Using				Net Asset Value Per Share or its Equivalent (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash Equivalents	\$ 279,922	\$ 279,922	\$ -	\$ -	\$ -	
Equities - Common Stock	219,925	219,925	-	-	-	
Fixed Income Mutual Funds	7,921,600	7,921,600	-	-	-	
Exchange Traded Funds:						
Equities	7,058,704	7,058,704	-	-	-	
Fixed Income	95,570	95,570	-	-	-	
Other	2,501,852	2,501,852	-	-	-	
Alternative Investments	2,750,312	-	-	-	2,750,312	
Restricted Certificate of Deposit	363,659	-	363,659	-	-	
Beneficial Interest in Charitable Remainder Trusts	3,379,189	-	-	3,379,189	-	
TOTAL ASSETS	\$ 24,570,733	\$ 18,077,573	\$ 363,659	\$ 3,379,189	\$ 2,750,312	
Annuitants Payable	\$ 10,401	\$ -	\$ -	\$ 10,401	\$ -	
TOTAL LIABILITIES	\$ 10,401	\$ -	\$ -	\$ 10,401	\$ -	

The fair values of investments within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The fair value of the certificate of deposit within Level 2 inputs was determined by discounting the related cash flows based on current yields of similar instruments with comparable durations and considering the credit-worthiness of the issuer.

The fair value of the beneficial interest within Level 3 inputs was determined as described in Note 2(i).

The fair value of annuities payable within Level 3 inputs was determined as described in Note 2(m).

The fair value of the investment reported at NAV is a hedge fund. The fund is not redeemable and provides distributions only upon liquidation of the underlying assets by respective fund managers. There are no unfunded commitments at June 30, 2023.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 - FAIR VALUE MEASUREMENTS (continued)

Changes in Level 3 measurements for the year ended June 30, 2023 are as follows:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Beneficial Interest in Charitable Remainder Trusts	Beneficial Interest in Perpetual Trust	Annuities Payable
Beginning Balance	\$ 4,540,601	\$ 712,559	\$ 14,251
Contributions	-	-	-
Payments/Distributions	(38,673)	(462,203)	(3,850)
Change in Value	(1,122,739)	(250,356)	-
ENDING BALANCE	\$ 3,379,189	\$ -	\$ 10,401

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 consist of the following:

Building and Improvements	\$ 27,830,594
Land and Improvements	3,357,068
Furniture and Equipment	2,234,012
Construction in Progress	529,575
Vehicles - Leased	248,637
Leasehold Improvements	593,207
Electronic Clinical Records System	1,090,277
Vehicles	285,524
TOTAL	36,168,894
Less: Accumulated Depreciation	(13,692,698)
PROPERTY AND EQUIPMENT (NET)	\$ 22,476,196

Depreciation expense for the year ended June 30, 2023 was \$1,234,543. Estimated costs to complete the construction in progress are approximately \$3,560,000 and relate primarily to building renovations and facilities improvements.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 8 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2023 consist of the following:

Accrued Vacation	\$ 1,307,331
Workers' Compensation Reserve*	565,530
Accrued Payroll	1,076,369
Other Accrued Expenses	<u>319,068</u>
TOTAL ACCRUED LIABILITIES	\$ <u>3,268,298</u>

* Related to the workers' compensation reserve, Vista Del Mar has a standby letter of credit with a bank in the amount of \$363,659, secured by a certificate of deposit.

NOTE 9 - RETIREMENT PLANS

(a) TAX-DEFERRED ANNUITY PLAN

Vista Del Mar sponsors a tax-deferred annuity plan under Internal Revenue Code Section 403(b). This plan was established as a companion to the Employee Benefit Plan of Reiss-Davis. The tax-deferred annuity plan is no longer open to new participants. Vista Del Mar does not contribute to this plan.

(b) 403(b) RETIREMENT PLAN

Vista Del Mar has an Internal Revenue Code Section 403(b) plan which covers all eligible employees. Vista Del Mar makes non-elective contributions of 3% of each employee's salary to this plan annually. Contributions to this plan totaled \$608,426 for the year ended June 30, 2023.

NOTE 10 - LINES OF CREDIT

Vista Del Mar has a line of credit facility in the amount of \$2,500,000 that matures in September 2023. The line of credit was secured to finance the completion of Vista Del Mar's performing arts center. The line of credit bears interest at 1% above the index rate. The index rate at June 30, 2023 was 8.25% and line of credit is secured by a deed of trust on property held by Vista Del Mar. At June 30, 2023, the balance outstanding on the line of credit was \$900,000. The balance was repaid in full subsequent to year end and the line was not renewed.

Vista Del Mar has a margin account line with the investment portfolio. Under the terms of the related agreement, Vista Del Mar can borrow up to 50% of the value of liquid investments in the portfolio. At June 30, 2023, the remaining amount available that could be drawn on the margin line was \$1,044,375. Interest on the line of credit varies from a minimum of 0.2% to 2% above the Fidelity Advisor Base Lending Rate depending on the amount of the average debt balance. At June 30, 2023 \$6,722,192 had been drawn on the margin account, and the interest rate was 6%. Subsequent to year end, Vista Del Mar drew down an additional \$1,000,000 on this margin account line.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 - DEFERRED REVENUE

Deferred revenue at June 30, 2023 represents unexpended contract funds totaling \$409,820 from California Department of Social Services, and \$9,283 from others.

NOTE 12 - LEASES

Vista Del Mar leases facilities and vehicles which are accounted for as operating leases. The operating leases expire at various dates ranging from three to five years. Some of these leases have renewal options. The exercise of lease renewal options is at Vista Del Mar's discretion. Vista Del Mar has chosen to include the renewal term in the calculation of the ROU asset and related lease liability when such renewals are reasonably certain of being exercised. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, are not recorded on the statement of financial position and are recognized as lease expense on a straight-line basis over the lease term. As of June 30, 2023, Vista Del Mar recognized \$1,020,772 of ROU assets and \$1,025,133 of related lease liabilities for contracts that are classified as operating leases.

Operating lease cost totaled \$289,319 for the year ended June 30, 2023. As of June 30, 2023, the weighted average remaining lease terms of operating leases are approximately 3.24 years. The weighted average discount rates used to determine the lease liabilities as of June 30, 2023 for the operating leases were approximately 2.87% which represents the risk-free rate at the commencement of the lease.

Maturities of lease liabilities as of June 30, 2023 are as follows:

Years Ending June 30

2024	\$	168,825
2025		342,805
2026		322,856
2027		223,718
2028		17,420
Total Lease Payments		1,075,624
Less: Imputed Interest		(50,491)
TOTAL	\$	<u>1,025,133</u>

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 13 - ANNUITIES PAYABLE

Vista Del Mar is in receipt of several charitable gifts from individuals. These gifts stipulate that annuity payments per year must be made to the donor until the time of death. The gifts are invested in money market funds and fixed income securities. All gift annuities are actuarially calculated based on the life expectancy of the donor using the State of California Insurance Commission Committee on Gift Annuities actuarial tables. The value of annuities at the time of the gifts totaled \$50,000. The corresponding reasonably commensurate value at June 30, 2023 is \$10,401.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

(a) CONTRACTS

Vista Del Mar's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated. Vista Del Mar has made a provision for the possible disallowance of program costs on its financial statements by establishing a reserve for its contracts balances with LADMH [See Note 2(e)].

(b) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, Vista Del Mar becomes involved in various legal proceedings. Some of these proceedings may result in judgments being assessed against Vista Del Mar which, from time to time, may have an impact on changes in net assets. Vista Del Mar believes that these proceedings, individually or in the aggregate, would not have a material effect on the accompanying financial statements. Subsequent to year end, Vista Del Mar was awarded \$1,750,000 from a legal settlement in its favor.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 15 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 consist of the following:

Subject to the Passage of Time:	
Beneficial Interest in Charitable Remainder Trusts	\$ 3,379,189
Subject to Expenditure for Specified Purpose:	
Facilities	305,141
Program Services	1,961,253
Subject to Appropriation	
Unspent Endowment Earnings	690,366
Not Subject to Appropriation or Expenditure:	
Donor Restricted Endowment Funds	<u>7,163,666</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u><u>\$ 13,499,615</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2023:

Expiration of Time Restrictions:	
Perpetual Trust Distributions	\$ 462,203
Charitable Remainder Trust Distribution	38,673
Satisfaction of Purpose Restrictions:	
Facilities	2,005,738
Program Services	2,583,826
Donor Releases from Endowments	<u>139,245</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u><u>\$ 5,229,685</u></u>

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 16 - ENDOWMENTS

Vista Del Mar's endowments consist of funds established for a variety of purposes. Endowment funds are established by donor-restricted gifts and bequests to either provide a permanent endowment, which is to provide a permanent source of income to Vista Del Mar, or a term endowment, which is to provide income for a specified period to Vista Del Mar. Beneficial interests in charitable remainder trusts and perpetual trusts are not considered part of Vista Del Mar's endowments.

Vista Del Mar's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

The primary long-term financial objective for Vista Del Mar's endowments is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management. Vista Del Mar's Board of Directors has approved a spending policy that will distribute a specific payout rate (5%) of the endowment base (calculated as the three-year average market value of endowment funds) to support Vista Del Mar's programs. Such a policy will allow for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy will minimize the probability of invading the principal over the long term.

Endowment Net Asset Composition At June 30, 2023	<u>With Donor Restrictions</u>
Donor-Restricted:	
Original Donor-Restricted Perpetual Gifts	\$ 7,163,666
Accumulated Investment Return (Net)	<u>690,366</u>
ENDOWMENT NET ASSETS - JUNE 30, 2023	<u><u>\$ 7,854,032</u></u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). At June 30, 2023, Vista Del Mar had an underwater endowment totaling \$171,049.

VISTA DEL MAR CHILD AND FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 16 - ENDOWMENTS (continued)

For the year ended June 30, 2023, Vista Del Mar endowment net assets changed as follows:

	<u>With Donor Restrictions</u>
Endowment Net Assets - Beginning of Year	\$ 7,470,300
Contributions	395,167
Donor-Approved Releases	(128,728)
Investment Return (Net)	127,810
Appropriations for Expenditure	<u>(10,517)</u>
ENDOWMENT NET ASSETS - END OF YEAR	<u>\$ 7,854,032</u>

Investment return related to Vista Del Mar's donor-restricted endowments is recorded as revenue with donor restrictions unless otherwise directed by the donor's gift instrument.

NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by Vista Del Mar at June 30, 2023 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at June 30, 2023:	
Cash and Cash Equivalents	\$ 687,337
Investments	10,707,459
Accounts Receivable Due within One Year (Net)	5,987,666
Pledges Receivable Due within One Year	500,000
Employee Retention Credit Receivable	<u>5,861,542</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 23,744,004</u>

Vista Del Mar regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Vista Del Mar is substantially supported by contributions with donor restrictions and government grants and contracts. As part of Vista Del Mar's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Vista Del Mar has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities, as well as a line of credit facility.