



**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**JUNE 30, 2024 and 2023**

**WITH  
INDEPENDENT AUDITOR'S REPORTS**

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## **Independent Auditor's Report**

To the Board of Directors  
Vera Lloyd Presbyterian Family Services, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of Vera Lloyd Presbyterian Family Services, Inc. and affiliate, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, the related consolidated statements of activities and net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Vera Lloyd Presbyterian Family Services, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Vera Lloyd Presbyterian Family Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Vera Lloyd Presbyterian Family Services, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued or 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 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.

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 Vera Lloyd Presbyterian Family Services, Inc.'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 Vera Lloyd Presbyterian Family Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

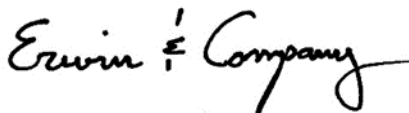
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of governmental assistance, schedule of units of service, and supplemental data sheet for the year ended June 30, 2024, as required by the Arkansas Department of Human Services, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2024, on our consideration of Vera Lloyd Presbyterian Family Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vera Lloyd Presbyterian Family Services, Inc.'s and affiliate internal control over financial reporting and compliance.



Little Rock, Arkansas  
September 10, 2024

**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**June 30, 2024 and 2023**

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,623,649	\$ 950,427
Certificates of deposit	50,001	100,763
Accounts receivable	275,071	197,081
Investments at fair value	13,722,552	12,621,379
Other assets	100,467	110,640
Total current assets	15,771,740	13,980,290
Interest in perpetual trust and split-interest agreements	1,282,445	1,179,033
Property and equipment, net	3,208,323	3,422,926
Total assets	\$ 20,262,508	\$ 18,582,249
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 37,908	\$ 21,577
Current portion of lease liability	48,002	46,160
Accrued liabilities	163,086	173,196
Total current liabilities	248,996	240,933
Lease liability, less current portion	33,442	81,444
Total liabilities	282,438	322,377
Net assets:		
Without donor restrictions	14,745,650	13,900,046
With donor restrictions	5,234,420	4,359,826
Total net assets	19,980,070	18,259,872
Total liabilities and net assets	\$ 20,262,508	\$ 18,582,249

See accompanying notes

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND NET ASSETS

Years ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues:</b>						
Contributions	\$ 371,937	\$ 515,736	\$ 887,673	\$ 471,801	\$ 185,000	\$ 656,801
Contributions under split-interest agreements and perpetual trust	-	-	-	-	1,047,282	1,047,282
Federal and state contracts and grants	1,904,498	-	1,904,498	1,549,110	-	1,549,110
Interest and dividends	419,668	52,386	472,054	325,638	47,739	373,377
Net realized and unrealized appreciation of investments, net of fees	1,390,146	300,358	1,690,504	896,081	225,182	1,121,263
Change in value of split-interest agreements and perpetual trusts	3,292	100,119	103,411	(20,178)	50,871	30,693
Other revenues	232,288	-	232,288	246,347	-	246,347
Net assets released from restriction	94,005	(94,005)	-	114,122	(114,122)	-
<b>Total support and revenues</b>	<b>4,415,834</b>	<b>874,594</b>	<b>5,290,428</b>	<b>3,582,921</b>	<b>1,441,952</b>	<b>5,024,873</b>
<b>Expenses</b>						
Program services	2,734,500	-	2,734,500	2,650,747	-	2,650,747
Management and general	493,447	-	493,447	473,738	-	473,738
Fundraising	342,283	-	342,283	373,240	-	373,240
<b>Total expenses</b>	<b>3,570,230</b>	<b>-</b>	<b>3,570,230</b>	<b>3,497,725</b>	<b>-</b>	<b>3,497,725</b>
Change in net assets	845,604	874,594	1,720,198	85,196	1,441,952	1,527,148
Net assets, beginning of year	13,900,046	4,359,826	18,259,872	13,814,850	2,917,874	16,732,724
Net assets, end of year	\$ 14,745,650	\$ 5,234,420	\$ 19,980,070	\$ 13,900,046	\$ 4,359,826	\$ 18,259,872

See accompanying notes

**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

**Years ended June 30, 2024 and 2023**

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 1,510,936	\$ 327,481	\$ 191,860	\$ 2,030,277	\$ 1,515,970	\$ 302,956	\$ 166,368	\$ 1,985,294
Payroll taxes and benefits	272,311	57,648	28,108	358,067	261,354	38,620	26,759	326,733
Travel/training/board/membership	13,387	3,477	6,460	23,324	14,320	2,655	8,827	25,802
Development	-	-	41,893	41,893	-	-	81,458	81,458
Insurance	79,125	17,568	9,844	106,537	77,624	13,979	16,764	108,367
Depreciation	228,952	4,502	3,507	236,961	248,040	4,507	3,508	256,055
Office supplies/equipment/postage	29,577	8,115	10,160	47,852	27,171	7,849	9,053	44,073
Utilities/telephone	109,309	6,124	5,833	121,266	104,067	6,430	5,158	115,655
Maintenance	122,640	16,281	20,228	159,149	117,125	14,399	29,717	161,241
Automobile	10,627	1,731	1,158	13,516	10,981	1,287	1,462	13,730
Food	105,269	-	-	105,269	83,013	-	-	83,013
Other program costs	94,765	-	-	94,765	87,099	-	-	87,099
Professional and contractual fees	157,602	21,857	2,382	181,841	103,983	52,374	3,175	159,532
Rent	-	28,663	20,850	49,513	-	28,682	20,991	49,673
<b>Total</b>	<b>\$ 2,734,500</b>	<b>\$ 493,447</b>	<b>\$ 342,283</b>	<b>\$ 3,570,230</b>	<b>\$ 2,650,747</b>	<b>\$ 473,738</b>	<b>\$ 373,240</b>	<b>\$ 3,497,725</b>

See accompanying notes

**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years ended June 30, 2024 and 2023**

	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 1,720,198	\$ 1,527,148
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized and unrealized appreciation of investments	(1,690,504)	(1,121,263)
Noncash contributions	-	(1,047,282)
Amortization and related change of right-of-use asset	46,563	45,253
Amortization and related change of lease liability	(46,160)	(44,852)
Depreciation	236,961	256,055
Loss (gain) on disposal of property and equipment	(2,600)	13,671
Change in value of split-interest agreements	(103,411)	(30,693)
Change in operating assets and liabilities:		
Accounts receivable	(77,990)	123,978
Other assets	10,172	31,810
Accounts payable	16,331	(68,028)
Accrued liabilities	(10,110)	44,708
	99,450	(269,495)
<b>Net cash provided by (used in) operating activities</b>		
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(68,921)	(438,724)
Purchase of certificates of deposit	(50,238)	(100,763)
Proceeds from sales of property and equipment	2,600	-
Proceeds from maturities of certificates of deposits	101,000	100,000
Purchase of investments	(2,044,176)	(2,558,992)
Proceeds from sale of investments	2,633,507	3,087,700
	573,772	89,221
<b>Net cash provided by investing activities</b>		
<b>Net change in cash and cash equivalents</b>	673,222	(180,274)
<b>Cash and cash equivalents, beginning of year</b>	950,427	1,130,701
<b>Cash and cash equivalents, end of year</b>	\$ 1,623,649	\$ 950,427
<b>Supplemental cash flow information:</b>		
Non-cash perpetual trust contribution, restricted	\$ -	\$ 1,047,282
Right-of-use asset obtained in exchange for lease obligation	-	172,456

See accompanying notes



# VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

### Note 1 – Organization

Vera Lloyd Presbyterian Family Services, Inc. and affiliate (Vera Lloyd or the Organization) is a nonprofit organization incorporated under Arkansas law. Services provided include residential care, emergency shelter, and family counseling to young people who have suffered through extreme family turmoil. The Organization's business offices are located in Little Rock, Arkansas, and services are provided through facilities located in Monticello, Arkansas. Funding sources include contributions, earnings from investments, and contracts with the Arkansas Department of Human Services (DHS).

### Note 2 – Summary of Significant Accounting Policies

#### Basis of presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Principles of consolidation

It is the Organization's policy to consolidate the financial statements of Vera Lloyd and Vera Lloyd Presbyterian Foundation, Inc. (the Foundation), which are legally separate entities, as both the control and economic interest factors established in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-810, *Not-for-Profit Entities – Consolidation*, are met.

The Foundation was incorporated under Arkansas law during the fiscal year ended June 30, 2016, to benefit and support the operations of Vera Lloyd. The financial statements as of and for the years ended June 30, 2024 and 2023, have been consolidated and all significant inter-organizational accounts and transactions are eliminated in consolidation. Summarized financial information of the Foundation as of and for the years ended June 30, is as follows:

	2024	2023
Total assets	\$ 13,360,502	\$ 12,337,383
Total liabilities	-	17,344
Total net assets	13,360,502	12,320,039
Total revenues, including investment income	1,074,105	847,780
Total expenses	33,642	92,493

Assets of the Foundation will be distributed to Vera Lloyd in accordance with the Organization's spending policy.

#### Cash and cash equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

### Certificates of deposit

The Organization records certificates of deposit at face value plus accrued interest, which includes earnings through the last day of the fiscal year.

### Accounts receivable

Accounts receivable for federal and state contracts and awards are recorded, along with the corresponding revenues, when services are performed either through the provision of units of service or through the claim for reimbursement of expenditures. These awards are subject to review by state and federal funding agencies, which could result in a request for reimbursement by these agencies for services disallowed under the terms and conditions of the agreements. In the opinion of management, such disallowances, if any, would not be significant.

### Allowance for credit losses – accounts receivable

On July 1, 2023, the Organization adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaced the incurred loss methodology with an expected loss methodology that is known as the current expected credit loss (CECL) methodology. See additional information regarding the adoption of CECL under the recent accounting pronouncements section of Note 2.

The allowance for credit losses is intended to cover expected losses over the life of accounts receivable and is a valuation account that is deducted from the amortized cost basis of accounts receivable to present the net amount expected to be collected. Management estimates the allowance for credit losses based on historical information, current conditions, and reasonable and supportable forecasts of future events or conditions. At June 30, 2024, management determined that an allowance for credit losses on its accounts receivable was not necessary. As such, no provisions for credit losses were recorded during the year ended June 30, 2024. This determination was based on numerous factors, including the Organization's absence of historical losses on accounts receivable and an analysis of its accounts receivable due from state agencies, which significantly limits credit risk.

Prior to the adoption of CECL, uncollectible accounts receivable, if any, were charged directly against earnings when determined by management to be uncollectible. In management's opinion, the use of this method did not produce results materially different from the allowance method previously required by GAAP. The organization did not have any charges to bad debt expense during the year ended June 30, 2023.

### Investments at fair value

Investments are stated at estimated fair values as determined primarily by quoted prices on the last day of the fiscal year, with interest, dividends, and realized and unrealized gains and losses recognized in the accompanying statements of activities.

### Credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, investments, and accounts receivable. At times throughout the year, the Organization may maintain its bank accounts at levels in excess of the Federal Deposit Insurance Corporation (FDIC) insured limit. Management believes that its policies are adequate to minimize potential credit risk. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Organization's account balances.

### Property and equipment

The Organization capitalizes expenditures for property and equipment at cost for items exceeding \$500. Donated assets are stated at their estimated fair market value at the date of the gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the carrying value and the fair value of the asset.

### Interest in perpetual trust and split-interest agreements

The Organization is the beneficiary of a single perpetual trust. Under the terms of the trust, the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but will never receive the assets comprising the trust. These arrangements are recorded at the fair value of the assets held in the trust, unless circumstances indicate that this value differs from the present value of the expected future cash flows from the trust.

The Organization is also the beneficiary of a remainder unitrust and gift annuity, which are described further in Note 4.

### Net assets classification

The Organization distinguishes between net assets without donor restrictions and net assets with donor restrictions and changes in net assets in the accompanying consolidated financial statements. A description of these net asset classifications is as follows:

*Net assets without donor restrictions* – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes of the Organization. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. Board-designated net assets may be earmarked for the support of both current and future programs, houses, and other uses. See Note 9 for more information on the composition of net assets without donor restrictions.

*Net assets with donor restrictions* – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature and may or will be met by expenditures or actions of the Organizations. Such restrictions include time and purpose restrictions imposed by donors, as well as restrictions imposed by law that restrict net investment income and gains on donor-restricted endowed funds until appropriated for expenditure. Other donor-imposed restrictions are perpetual in nature but permit the Organization to expend the income generated in accordance with the provision of the related donor agreements. Those net assets of the Organization which include restrictions that are perpetual in nature are comprised of funds whose earnings are to be used to operate and maintain the specific homes, pay for scholarships, and for private referrals for the programs in Monticello. See Note 8 for more information on the composition of net assets with donor restrictions.

### Net assets released from restrictions

Net assets that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the same reporting period in which the support is recognized. Donor restricted net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose, by the passage of time or by the occurrence of other events specified by the donor.

### Spending policy

The Organization's endowment spending is governed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which was approved by the Uniform Law Commission to serve as a guideline to states to use in enacting legislation. The state of Arkansas has enacted UPMIFA, which requires nonprofit organizations with donor-restricted endowed funds to follow certain standards when making investment and spending policy decisions.

### Revenue recognition

Revenues are generally recognized when performance obligations are satisfied, or control of the promised goods or services is transferred to customers in an amount that reflects the consideration Vera Lloyd expects to be entitled to receive in exchange for those goods or services.

### *Contributions*

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of these discounts is included in contribution revenue. Conditional promises are not recognized as revenue until the donor-imposed barrier is met.

### *Grants and contracts*

The Organization receives government funding, in the form of federal and state contracts, to oversee and administer several programs. These revenues are accounted for as unconditional contributions as the revenue is not received in advance of performance but is rather received based on reports filed with the sponsoring organization for the preceding month. In light of the above, revenue is recorded on a monthly basis when the conditions of receiving the money are met in full.

### Concentration of revenues

Approximately 100% of the Organization's revenues from federal and state contracts and grants for the years ended June 30, 2024 and 2023, respectively, were received from DHS, either directly or as funding passed through from the United States Department of Health and Human Services.

### Functional expenses

Functional expenses have been allocated between program services, management and general, and fundraising. Personnel related expenses are allocated based on an analysis of personnel time utilized for the related activities. Other expenses are allocated based on other meaningful measures for the particular type of expenditure.

### Income taxes

Vera Lloyd and the Foundation are publicly supported organizations exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (the Code) and are classified as other than private foundations. Both are also exempt from state tax under similar provisions of state law. Accordingly, no provision for income taxes is included in the accompanying consolidated financial statements.

### Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

### Fair value measurements

The Organization follows a framework for measuring fair value under U.S. GAAP and establishing disclosures about fair value measurements. This framework applies to all financial instruments that are being measured and recognized at fair value on a recurring and nonrecurring basis.

### Reclassification

Certain reclassifications have been made to the 2023 consolidated financial statements to conform to the 2024 financial statement presentation. These reclassifications had no effect on the change in net assets or net assets as a whole.

### Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 generally requires lessees to recognize assets and liabilities associated with leases (other than those leases with terms of 12 months or less, for which the entity is permitted to elect to not recognize lease assets and lease liabilities) on the lessee entity's statements of financial position. ASU 2016-02 also requires certain quantitative and qualitative financial statement disclosures regarding the amount, timing and uncertainty of cash flows from leases. The Organization adopted ASU 2016-02 using the effective transition method during the year ended June 30, 2023; however, the adoption did not have a material impact on the Organization's financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the CECL methodology. ASU 2016-13 requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts of future events or conditions and generally applies to financial assets measured at amortized cost, including accounts receivable. The Organization adopted ASU 2016-13 during the year ended June 30, 2024; however, the adoption did not have a material impact on the Organization's financial statements and did not require a cumulative effect adjustment.

### Subsequent events

The Organization has evaluated subsequent events for recognition and disclosure that occurred through September 10, 2024, the date the consolidated financial statements were available to be issued.

### Note 3 – Liquidity and Availability of Financial Assets

The Organization's financial assets available for general expenditure within one year of the June 30 statements of financial position are as follows:

	2024	2023
Cash and cash equivalents	\$ 1,623,649	\$ 950,427
Certificates of deposit	50,001	100,763
Accounts receivable	275,071	197,081
Investments at fair value	13,722,552	12,621,379
Total financial assets, at year-end	15,671,273	13,869,650
Less amounts unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Subject to appropriation and satisfaction of donor restrictions	(898,007)	(367,729)
Endowment funds	(3,138,139)	(2,893,944)
Board designated endowment funds after appropriation	(9,364,437)	(8,666,766)
Total financial assets available to management for general expenditure within one year	\$ 2,270,690	\$ 1,941,211

The Organization's expenses are significantly related to the day-to-day operational costs of the homes owned by the Organization, maintenance costs directly related to general upkeep of the facilities, and salary expenses to run the programs. The majority of the Organization's support and revenues are not restricted by donors. The Organization receives funds at both the federal and state level to assist with the costs incurred at the program level. The Organization has exhibited a prudent spending and investment policy in response to the state's shift away from congregate housing and an environment of declining referrals over the previous years. Although the Organization holds a portion of net assets with donor restrictions, approximately 74% of its net assets are without donor restrictions and, therefore, could be made available for current operations as deemed necessary.

### Note 4 – Fair Value of Financial Instruments

In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by market data by correlation or other means. If the asset or liability has a specified (contractual) term, the input must be observable for substantially the full term of the asset or liability.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair value on a recurring basis

The balances of assets measured at fair value on a recurring basis at June 30, 2024, are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$ 2,999,953	\$ -	\$ -	\$ 2,999,953
Mutual funds:				
Large cap funds	2,058,841	-	-	2,058,841
Mid cap funds	44,584	-	-	44,584
Small cap funds	16,321	-	-	16,321
Balanced funds	17,205	-	-	17,205
Income funds	1,133,750	-	-	1,133,750
Real estate fund	1,837	-	-	1,837
Emerging markets	151,793	-	-	151,793
Growth funds	35,037	-	-	35,037
Real estate investment trusts	79,966	-	-	79,966
Corporate bonds	733,809	-	-	733,809
US Government and Municipal Obligations	274,114	-	-	274,114
Private equities	-	-	467,788	467,788
Investments in the fair value hierarchy	<u>\$ 7,547,210</u>	<u>\$ -</u>	<u>\$ 467,788</u>	8,014,998
Investments measured at net asset value (NAV)*				<u>5,707,554</u>
Total investments at fair value				<u>\$ 13,722,552</u>
Interest in perpetual trust and split-interest agreements	\$ -	\$ -	\$ 1,282,445	\$ 1,282,445

The balances of assets measured at fair value on a recurring basis at June 30, 2023, are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$ 2,643,697	\$ -	\$ -	\$ 2,643,697
Mutual funds:				
Large cap funds	1,934,945	-	-	1,934,945
Mid cap funds	39,610	-	-	39,610
Small cap funds	6,572	-	-	6,572
Balanced funds	14,465	-	-	14,465
Income funds	1,067,919	-	-	1,067,919
Real estate funds	18,981	-	-	18,981
Emerging markets	138,089	-	-	138,089
Growth funds	63,402	-	-	63,402
Real estate investment trusts	78,257	-	-	78,257
Corporate bonds	696,922	-	-	696,922
US Government and Municipal Obligations	364,095	-	-	364,095
Private equities	-	-	454,764	454,764
Investments in the fair value hierarchy	<u>\$ 7,066,954</u>	<u>\$ -</u>	<u>\$ 454,764</u>	7,521,718
Investments measured at NAV*				<u>5,099,661</u>
Total investments at fair value				<u>\$ 12,621,379</u>
Interest in perpetual trust and split-interest agreements	\$ -	\$ -	\$ 1,179,033	\$ 1,179,033

\* In accordance with Subtopic 810-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair values presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items on the consolidated statements of financial position.

The Organization had no purchases or transfers into or out of Level 3 during the years ended June 30, 2024 and 2023.

For the years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of June 30, 2024 and 2023, respectively. In addition to the techniques and inputs noted in the table below, according to the Organization's valuation policy, other valuation techniques and methodologies may also be used when determining fair value measurements.

The table below is not intended to be all inclusive, but rather provides information on the significant Level 3 inputs as they relate to fair value measurements:



Financial Asset	Valuation Technique	Unobservable Inputs	Fair Value at June 30	
			2024	2023
Private equities	Private equities are valued based on a valuation of the stock provided by the management of the companies based on a multiple of taxable income and discounted due to lack of marketability.	15% Discount rate	\$ 467,788	\$ 454,764
Gift annuities and unitrust**	Measured and recorded at the actuarially determined present value as calculated by the administrator of the gift instrument.	N/A	84,172	80,880
Perpetual Trust**	Measured and recorded at fair value of the assets contributed to and held by the intermediary	N/A	1,198,273	1,098,153

\*\* Collectively reported in the interest in perpetual trust and split-interest agreements line-item within the consolidated statements of financial position.

The following summarizes the Organization's investments measured at fair value based on NAV per share as a practical expedient as of June 30, 2024:

	Redemption Frequency	Redemption Notice Period	Fair Value	Unfunded Commitment
Texas Presbyterian Foundation (TPF) large cap equity fund	Monthly	{a}	\$ 2,999,062	\$ -
Texas Presbyterian Foundation balanced fund	Monthly	{a}	1,017,991	-
Texas Presbyterian Foundation fixed income fund	Monthly	{a}	804,783	-
Presbyterian Church Foundation (PCF) endowment fund	Quarterly	{b}	464,593	-
Texas Presbyterian Foundation growth equity fund	Monthly	{a}	381,233	-
Other TPF/PCF common funds	Monthly	{a}{b}	39,892	-
			<u>\$ 5,707,554</u>	<u>\$ -</u>

The following summarizes the Organization's investments measured at fair value based on NAV per share as a practical expedient as of June 30, 2023:

	Redemption Frequency	Redemption Notice Period	Fair Value	Unfunded Commitment
Texas Presbyterian Foundation (TPF) large cap equity fund	Monthly	{a}	\$ 2,497,031	\$ -
Texas Presbyterian Foundation balanced fund	Monthly	{a}	1,003,864	-
Texas Presbyterian Foundation fixed income fund	Monthly	{a}	815,873	-
Presbyterian Church Foundation (PCF) endowment fund	Quarterly	{b}	448,689	-
Texas Presbyterian Foundation growth equity fund	Monthly	{a}	294,642	-
Other TPF/PCF common funds	Monthly	{a}{b}	39,562	-
			<u>\$ 5,099,661</u>	<u>\$ -</u>

{a} The redemption notice period for TPF common funds is the third to last business day of the month.

{b} The redemption notice period for PCF endowment service accounts is thirty days.

Fair values for common funds managed by TPF and PCF are determined monthly by TPF and PCF at the net asset value of units held based on the fair values of underlying assets held by the funds. The Organization has limited transparency into the underlying positions of common funds and therefore cannot independently assess the value of the underlying positions through a public exchange or over the counter market.

The table below is not intended to be all inclusive, but rather provides information on the five largest common funds held by the Organization as of June 30, 2024 and 2023:

Fund Name	Investment Mix/Strategy
TPF large cap equity fund	Broadly diversified portfolio of predominately U.S. and global stocks and is focused on long-term growth, while avoiding speculation and undue risk. Over three to five year market cycles, the Fund's goal is to provide returns exceeding the Russell 1000 index but with less volatility risk.
TPF balanced fund	Holds interest in most of the TPF common funds in allocations determined by the TPF Board of Trustee's Investment Committee and is focused on producing a total rate of return from a blend of equity and fixed income securities.
TPF fixed income fund	Diversified bond portfolio and seeks to produce a total rate of return, net of expenses, which exceeds the Barclays Capital Aggregate Bond Index and is ranked above the median performance level of the universe of comparable funds.
PCF endowment fund	Broadly diversified portfolio of predominately U.S and non U.S equities, private equity assets, and investment grade fixed income securities and is focused on providing a stream of regular distributions in support of annual budgetary needs.
TPF growth equity fund	Broadly diversified portfolio of predominately U.S and international equities that seeks to provide opportunities for long-term capital growth. The Fund's goal over three to five year market cycles is to provide returns that exceed a market benchmark (the Russell 1000 Growth Index) but with lower risk than the benchmark as measured by volatility of returns.

## Note 5 – Property and Equipment

Property and equipment consist of the following at June 30:

Description	Estimated Useful Life	2024	2023
Buildings and improvements	10 - 40 years	\$ 6,144,749	\$ 6,157,299
Equipment	3 - 10 years	1,173,692	1,180,584
Furniture and fixtures	5 - 10 years	257,797	262,307
Vehicles	3 - 4 years	212,265	208,223
Land	N/A	41,400	41,400
Right of use asset - operating lease	N/A	80,640	127,203
Construction in progress	N/A	19,760	-
Total		7,930,303	7,977,016
Less accumulated depreciation		(4,721,980)	(4,554,090)
Property and equipment, net		<u>\$ 3,208,323</u>	<u>\$ 3,422,926</u>

As of June 30, 2024, one vehicle with a net book value of approximately \$2,000 is subject to a motor vehicle lien held by the Arkansas State Highway and Transportation Department. Under the terms of the lien, the Organization cannot sell or transfer the title to the vehicle without the knowledge and permission of the lienholder.

## Note 6 – Leases

The Organization accounts for its leases in accordance with ASC Topic 842, *Leases*, which requires recognition of most leases with a term greater than twelve months on the statements of financial position. The Organization leases certain premises and equipment under agreements that are categorized as operating lease agreements. At lease commencement, the lease contract is reviewed to determine whether the contract is a finance or an operating lease; a lease liability is recognized on a discounted basis, related to the Organization's obligation for the future lease payments; and a right-of-use asset is recognized related to the Organization's right to use, or control the use of, the specified asset for the lease term. The Organization elected to discount the future lease payments using a risk-free rate. The Organization has also elected to apply the short-term measurement and recognition exceptions provided under ASC Topic 842 and, as a result, leases with an initial term of 12 months or less are not recorded on the statements of financial position. The Organization recognizes lease expense on a straight-line basis over the lease term.

The Organization leases its Little Rock office space under a long-term operating lease agreement that requires monthly payments of \$4,093 with payments increasing by 3% in March 2025 through expiration in February 2026. The following table presents information related to the Organization's right-of-use asset, included in premises and equipment, and lease liability as of June 30, 2024 and 2023:

	2024	2023
Right-of-use asset – operating lease	\$ 80,640	\$ 127,203
Lease liability – operating lease	81,444	127,604
Weighted average remaining lease term	1.75 years	2.75 years
Weighted average discount rate	2.88%	2.88%

The Organization’s remaining undiscounted minimum lease payments under the Little Rock operating lease agreement as of June 30, 2024 are as follows:

2025	\$ 49,603
2026	33,723
Total undiscounted minimum lease payments	83,326
Less: net present value adjustment	1,882
Lease liability	<u>\$ 81,444</u>

Rent expense under all leases, including those with initial durations of less than one year, totaled \$49,513 and \$49,673 for fiscal year 2024 and 2023, respectively.

#### **Note 7 – Endowments**

The Organization's endowment consists of 17 individual funds established for a variety of purposes including donor-restricted endowment funds and funds designated by its board of directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### Interpretation of relevant law

The Board of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies net assets with donor restrictions of a perpetual nature as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund will also remain under the net assets with donor restrictions classification until those amounts are appropriated for expenditure by the Board of the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment and spending policies of the Organization

Endowment net asset composition by type of fund as of June 30, is as follows:

	2024	2023
Donor-restricted endowment funds	\$ 3,138,139	\$ 2,893,944
Board-designated endowment funds, without donor restrictions	9,364,437	8,666,766
Total endowment funds	<u>\$ 12,502,576</u>	<u>\$ 11,560,710</u>

Changes in endowment net assets for the years ended June 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year, July 1, 2022	\$ 8,082,702	\$ 2,749,790	\$ 10,832,492
Investment return:			
Interest and dividends	216,318	13,961	230,279
Underwater endowment loss	-	(4,055)	(4,055)
Net appreciation (unrealized and realized), net of fees	445,012	134,248	579,260
Total investment return	661,330	144,154	805,484
Appropriation of endowment assets for expenditure	(110,067)	-	(110,067)
Designation by board	32,801	-	32,801
Endowment net assets, end of year, June 30, 2023	8,666,766	2,893,944	11,560,710
Investment return:			
Interest and dividends	248,846	15,790	264,636
Underwater endowment gain	-	16,067	16,067
Net appreciation (unrealized and realized), net of fees	495,234	212,338	707,572
Total investment return	744,080	244,195	988,275
Appropriation of endowment assets for expenditure	(110,072)	-	(110,072)
Designation by board	63,663	-	63,663
Endowment net assets, end of year, June 30, 2024	<u>\$ 9,364,437</u>	<u>\$ 3,138,139</u>	<u>\$ 12,502,576</u>

#### Risk objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to support the current and future operations of the Organization, while maintaining the endowed assets at the level restricted by the donor to be held in perpetuity or for a donor-specified period. Under the investment policy, as approved by the Board, the endowment assets are invested in a manner that is intended to preserve the principal value of the assets and to provide for appreciation in value of the assets in order to hedge against the effects of inflation.

#### Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### Spending rate

The spending rate of earnings on endowments is determined annually by the Board, and was 5% of the value of the invested endowment assets for each of the years ended June 30, 2024 and 2023. The calculation of the spending amount is based on the quarterly average endowment fund market values as of March 31 and the preceding 20 quarters. This policy was adopted to achieve the objective of maintaining purchasing power of the endowment assets held in perpetuity or for a specified time.

### Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the Organization to retain in perpetuity. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2024 and 2023, a fund with an original gift value of \$500,000 had a deficiency of \$30,932 and \$46,999, respectively. This deficiency resulted from unfavorable market fluctuations.

### **Note 8 – Net Assets with Donor Restrictions**

Net assets with donor restriction consist of the following as of June 30:

	2024	2023
Endowment earnings, subject to expenditure for specified purpose:		
Assist with private referrals for programs in Monticello	\$ 47,457	\$ 38,248
Scholarships	891,994	705,793
Investment (losses) in excess of spend rate	(136,786)	(169,504)
Total endowment earnings, subject to expenditure for specified purpose	802,665	574,537
Funds restricted in perpetuity:		
Charbeck Fund	302,500	302,500
Pettus Home Endowment	48,278	48,278
Jerry Newbold Memorial	8,096	8,096
General Endowment Donor	714,114	714,114
Barton Home Endowment	137,300	137,300
Williamson Endowment	115,777	115,777
Walton Endowment	469,068	453,001
Wooten Anderson Endowment	114,859	114,859
Marsh Horsfall Fund	25,000	25,000
Lorene Empson Private Placement	25,000	25,000
Icy Gregory Endowment	375,482	375,482
Total funds restricted in perpetuity	2,335,474	2,319,407
Total donor-restricted endowment funds	3,138,139	2,893,944
Subject to expenditure for specified purpose:		
Monticello gym renovations and workforce program	700,752	185,000
Beneficial interest in perpetual trust	1,198,274	1,098,153
Renovation of other facilities	8,100	8,100
Maintenance of the Lewis Home	189,155	174,629
Total subject to expenditure for specified purpose	2,096,281	1,465,882
Total net assets with donor restrictions	\$ 5,234,420	\$ 4,359,826

### Note 9 – Net Assets Without Donor Restriction

The Organization's net assets without donor restrictions are comprised of undesignated and Board-designated amounts for the following purposes as of June 30:

	2024	2023
Undesignated	\$ 5,381,213	\$ 5,233,280
Board designated endowment	9,364,437	8,666,766
Total net assets without donor restrictions	<u>\$ 14,745,650</u>	<u>\$ 13,900,046</u>

### Note 10 – Employee Benefit Plans

The Organization self-administers two employee benefit plans, which qualify for tax deferral under the Code.

The tax-sheltered annuity plan is under Internal Revenue Service (IRS) Code Section 403(b). Employees enter into a salary reduction agreement, up to IRS limits, for which the proceeds are used to invest in mutual funds. Employees do not pay income tax on these amounts until the benefits are received under the plan. Contributions by the Organization on behalf of the employees for the years ended June 30, 2024 and 2023, totaled approximately \$32,000 and \$30,000, respectively.

The cafeteria plan is under IRS Code Section 125. Employees enter into a salary reduction agreement, up to IRS limits, for which withholdings are used as payment toward health or life insurance. Employees do not pay income tax or Social Security/Medicare taxes on these amounts.

### Note 11 – Related Party Transactions

The Organization is the beneficiary of the income derived from assets held in the Presbyterian Children's Home Endowment Trust (the Trust). The Trust was established in 1949 as a permanent endowment fund for the use and benefit of the Synod of Arkansas of the Presbyterian Church to be applied to the maintenance, operation, and support of the Organization. The Trust remains in effect until the Organization ceases operations, at which time the Trust shall terminate and the remaining assets shall be distributed to the Synod of Arkansas of the Presbyterian Church.

Income derived from Trust assets and paid to the Organization is recorded by the Organization in the period in which it is received and consists primarily of proceeds from harvesting timber on real estate owned by the Trust. The Trust has delegated the authority for managing the timber to the Organization. The total amount of trust income related to the harvesting of timber for the years ended June 30, 2024 and 2023, was approximately \$12,000 and \$37,000, respectively.

While the Organization does have the unconditional and irrevocable right to all the perpetual cash flows generated from the Trust assets, due to the nature and infrequent production of income from the Trust, management has been unable to estimate a fair value measurement for this beneficial interest. As such, this beneficial interest has not been recorded by the Organization in the accompanying consolidated financial statements.

The Organization's facilities in Monticello, Arkansas, are located on land owned by the Trust at no cost to the Organization. Due to the undeterminable fair market value of this land, no costs have been capitalized or expensed in the accompanying consolidated financial statements.

**SUPPLEMENTAL INFORMATION**



**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**

**SCHEDULE OF GOVERNMENTAL ASSISTANCE**

**Year ended June 30, 2024**

Program Grantor/Pass Through/Program Title	Assistance Listing Number	Federal/State Revenues	Federal/State Expenditures
<u>Federal Assistance</u>			
United States Department of Health and Human Services/Arkansas Department of Human Services:			
Foster Care - Title IV E	93.658	\$ 173,831	\$ 173,831
Independent Living Aftercare	93.674	52,920	52,920
National School Lunch Program	10.555	48,506	48,506
Total federal revenues and expenditures		\$ 275,257	\$ 275,257
<u>State Assistance</u>			
Arkansas Department of Human Services:			
Division of Youth Services		\$ 655,652	\$ 655,652
Foster Care - Title IV E		79,804	79,804
Foster Care - State		893,785	893,785
Total state revenues and expenditures		\$ 1,629,241	\$ 1,629,241

The Organization also received \$16,371 in Medicaid funding during the year ended June 30, 2024.

**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**

**NOTES TO THE SCHEDULE OF GOVERNMENTAL ASSISTANCE**

**Year ended June 30, 2024**

**Note 1 – Basis of Presentation**

The accompanying Schedule of Governmental Assistance (the Schedule) includes the federal and state grant and contract activity of Vera Lloyd Presbyterian Family Services, Inc. under programs of the federal and state governments for the year ended June 30, 2024. No federal awards were received from passed-through subrecipients. Because the Schedule presents only a portion of the operations of Vera Lloyd Presbyterian Family Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Vera Lloyd Presbyterian Family Services, Inc.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No indirect cost rate has been elected by Vera Lloyd Presbyterian Family Services, Inc.

**Note 3 – Subrecipients**

Of the federal expenditures presented in the Schedule, no federal and state awards were provided to subrecipients.

**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**

**SCHEDULE OF UNITS OF SERVICE**

**Year ended June 30, 2024**

The following units of service were provided by the Organization:

Month	Year	(5) Supervised Independent Living Days	(1) Emergency Shelter Days	(1) Resource Parent Training Units	(2) Therapeutic Group Home Days	(3) Lunch Meals	(3) Breakfast Meals	(4) Qualified Residential Treatment Days
July	2023	46	128	1	258	596	654	387
August	2023	62	-	8	294	467	576	365
September	2023	60	-	3	297	415	584	369
October	2023	62	-	11	562	650	811	296
November	2023	47	-	6	558	719	872	348
December	2023	31	-	3	566	814	903	400
January	2024	31	-	9	536	676	868	405
February	2024	29	-	15	481	466	738	333
March	2024	31	-	7	436	549	713	350
April	2024	30	-	28	283	422	503	323
May	2024	31	-	3	254	411	538	343
June	2024	30	-	2	145	-	-	311
		490	128	96	4,670	6,185	7,760	4,230

Funding by DHS is provided through units of service. Units represent number of days of service or meals provided under the programs funded by DHS. The units are applied to a rate per day or amount per meal served to determine the reimbursement under the programs. The Organization recognizes the revenue from these contracts when the services are provided.

(1) Emergency shelter and Resource Parent Training are provided through the Foster Care - Title IV E and Foster Care - State programs.

(2) Therapeutic group home service is provided through the Arkansas State General Revenue Division of Youth Services program.

(3) Lunch and breakfast meals are provided through the National School Lunch Program.

(4) Qualified residential treatment is provided through the Foster Care - Title IV E, Division of Children and Family Services IV E TFC - Match Rate, and Foster Care - State programs.

(5) Supervised Independent Living is provided through the Division of Children & Family Services - Independent Living Aftercare program.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Vera Lloyd Presbyterian Family Services, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Vera Lloyd Presbyterian Family Services, Inc., which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated September 10, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Vera Lloyd Presbyterian Family Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vera Lloyd Presbyterian Family Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Vera Lloyd Presbyterian Family Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

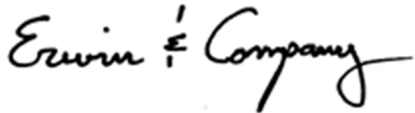
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Vera Lloyd Presbyterian Family Services, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Erwin & Company". The signature is written in a cursive, flowing style.

Little Rock, Arkansas  
September 10, 2024

**VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.**

**SUPPLEMENTAL DATA SHEET**

**June 30, 2024**

Entity Full Name: Vera Lloyd Presbyterian Family Services. Inc.

Address: 1501 N. University, Suite 345  
Little Rock. AR 72207

EIN: 71-0419191

Phone: 501-666-8195

Chief Executive Officer and Contact Person: Ms. Donna Mahurin