



STATE OF ARKANSAS

Department of Human Services

Office of Procurement

700 Main Street

Little Rock, Arkansas 72201

RESPONSE PACKET

710-20-0028

CAUTION TO VENDOR

Vendor's failure to submit required items and/or information as specified in the *Bid Solicitation Document* **shall** result in disqualification.



STATE OF ARKANSAS

Department of Human Services
 Office of Procurement
 700 Main Street
 Little Rock, Arkansas 72201

RESPONSE SIGNATURE PAGE

Type or Print the following information.

RESPONDENT'S INFORMATION				
Company:	Vera Lloyd Presbyterian Family Services, Inc.			
Address:	1501 N. University Avenue Suite 345			
City:	Little Rock	State:	AR	Zip Code: 72207
Business Designation:	<input type="checkbox"/> Individual <input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Corporation	<input type="checkbox"/> Public Service Corp <input checked="" type="checkbox"/> Nonprofit	
Minority Designation: <i>See Minority Business Policy</i>	<input checked="" type="checkbox"/> Not Applicable	<input type="checkbox"/> African American <input type="checkbox"/> American Indian	<input type="checkbox"/> Hispanic American <input type="checkbox"/> Asian American	<input type="checkbox"/> Pacific Islander American <input type="checkbox"/> Service Disabled Veteran
	AR Minority Certification #: _____		Service Disabled Veteran Certification #: _____	

VENDOR CONTACT INFORMATION			
<i>Provide contact information to be used for bid solicitation related matters.</i>			
Contact Person:	Donna Mahurin	Title:	CEO
Phone:	501-666-8195	Alternate Phone:	
Email:	donnamahurin@veralloyd.org		

CONFIRMATION OF REDACTED COPY
<input type="checkbox"/> YES, a redacted copy of submission documents is enclosed. <input checked="" type="checkbox"/> NO, a redacted copy of submission documents is <u>not</u> enclosed. I understand a full copy of non-redacted submission documents will be released if requested.
<i>Note: If a redacted copy of the submission documents is not provided with vendor's response packet, and neither box is checked, a copy of the non-redacted documents, with the exception of financial data (other than pricing), shall be released in response to any request made under the Arkansas Freedom of Information Act (FOIA). See Bid Solicitation for additional information.</i>

An official authorized to bind the vendor to a resultant contract must sign below.

The signature below signifies agreement that either of the following **shall** cause the vendor's response to be disqualified:

- Additional terms or conditions submitted in their response, whether submitted intentionally or inadvertently.
- Any exception that conflicts with a Requirement of this Bid Solicitation.

Authorized Signature: Donna Mahurin Title: CEO
Use Ink Only.

Printed/Typed Name: Donna Mahurin Date: 4/02/2020

PROPOSED SUBCONTRACTORS FORM

- **Do not** include additional information relating to subcontractors on this form or as an attachment to this form.

VENDOR PROPOSES TO USE THE FOLLOWING SUBCONTRACTOR(S) TO PROVIDE SERVICES.

Type or Print the following information

Subcontractor's Company Name	Street Address	City, State, ZIP
Pinnacle Pointe Behavioral Healthcare	139C E Jackson Ave	Monticello, AR 71655

VENDOR DOES NOT PROPOSE TO USE SUBCONTRACTORS TO PERFORM SERVICES.

By signature below, vendor agrees to and shall fully comply with all Requirements related to subcontractors as shown in the bid solicitation.

Authorized Signature: Donna Mahurin
Use Ink Only.

Printed/Typed Name: Donna Mahurin Date: 4/02/2020

Contract Number _____
 Attachment Number _____
 Action Number _____

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR: _____

Yes No

TAXPAYER ID NAME: _____ IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME: _____ FIRST NAME: _____ M.I.: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____ COUNTRY: _____

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

F O R I N D I V I D U A L S *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	Relation
	Current	Former		From MM/YY	To MM/YY		
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

None of the above applies

F O R A N E N T I T Y (B U S I N E S S) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

None of the above applies

CONTRACT SELECTION

Please select the contract(s) for which bidder is proposing. A single bidder may only be awarded one of the three Therapeutic Group Home contracts. Bidders on a Therapeutic Group Home contract may also bid on the Residential Sex Offender contract.

Residential Group Homes - Males Only (one contract per bidder)

Sex Offender Group Home – Males Only

SECTION 1 - VENDOR AGREEMENT AND COMPLIANCE

- Any requested exceptions to items in this section which are NON-mandatory **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request to reference the specific solicitation item number to which the exception applies.
- Exceptions to Requirements **shall** cause the vendor's response to be disqualified.

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Authorized Signature: Donna Mahurin
Use Ink Only.

Printed/Typed Name: Donna Mahurin Date: 4/02/2020

SECTION 2 - VENDOR AGREEMENT AND COMPLIANCE

- Any requested exceptions to items in this section which are NON-mandatory **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request to reference the specific solicitation item number to which the exception applies.
- Exceptions to Requirements **shall** cause the vendor's response to be disqualified.

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Authorized Signature: Donna Mahurin
Use Ink Only.

Printed/Typed Name: Donna Mahurin Date: 4/02/2020

SECTIONS 3, 4, 5 - VENDOR AGREEMENT AND COMPLIANCE

- Exceptions to Requirements **shall** cause the vendor's response to be disqualified.

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Authorized Signature: Donna Mahurin
Use Ink Only.

Printed/Typed Name: Donna Mahurin Date: 4/02/2020

E. 1 Minimum Qualifications

A. All documents requested are attached or in this narrative.

Vera Lloyd Presbyterian Family Services has been partnering with the Division of Youth Services for 20+ years. Vera Lloyd continually refines and enhances our services through our Continuous Quality Improvement process and other measures to ensure we are meeting the needs of the youth we serve. During pre-service all staff are trained in Trust Based Relational Intervention (TBRI), which is a trauma-informed model of care. Vera Lloyd has two TBRI Educators on staff. TBRI training is on-going through monthly in-service sessions. Vera Lloyd also has a Crisis Prevention Institute (CPI) Instructor on campus to provide pre-service and ongoing training. Vera Lloyd is currently contracting with a licensed mental health professional to provide Clinical Director services, while we search for a full-time Clinical Director. Vera Lloyd has a full-time Substance Abuse Counselor on staff. Vera Lloyd also employs two part-time nurses, who are on call 24/7. Homes are staffed 24 hours per day.

E. 2. Approach to Scope of Work

A. Vera Lloyd's Transition Resource Specialist, who has a Master's Degree in Education Administration, administers our Transition Services program, which is a comprehensive program designed to help youth be successful when they leave Vera Lloyd. Transition Services includes life skills assessments; independent living skills instruction; money management; college and vocational school tours; financial aid and admissions assistance; campus work program; community work program; career shadowing; inspirational speakers; GED and certificate programs; after care and mentoring.

Vera Lloyd utilizes an evidenced-based multi-faceted Independent Living curriculum, which begins with the Daniel Memorial Institute Independent Living Assessment for Life Skills. This assessment evaluates youth in 14 different areas as to their knowledge and capabilities to live independently. 1. Money Management/Consumer Awareness 2. Food Management 3. Personal Appearance 4. Health 5. Housekeeping 6. Transportation 7. Educational Planning 8. Job Seeking Skills 9. Job Maintenance Skills 10. Emergency and Safety skills 11. Knowledge of Community Resources 12. Interpersonal Skills 13. Legal Skills 14. Housing). This assessment provides a base line for developing an individual plan and measuring outcomes for each individual youth. Our goal is to give every youth access and exposure to all the necessary skills in a classroom setting, a home setting and a work setting.

- A. **Money Management** - Vera Lloyd uses *Dave Ramsey's Generation Change-The Life and Money plan for Teens*. This approach to money management resonates with teens, who are often peer and appearance conscious. How does appearance fit into a small budget? How do you set priorities and keep your sense of self-worth? Other parts of the program include how little things add-up both good and

focuses on work place expectations, HIPAA and OSHA regulations. Youth are then able to work up to 20 hours per week at minimum wage. Jobs on campus include home and grounds maintenance, clerical, minor repairs, etc. Every youth in the work program is supervised by the Transition Resource Specialist or another Vera Lloyd staff member. Youth are given continuous feedback regarding work etiquette and they also learn on the job skills. Each youth maintains a time sheet and and they earn minimum wage. The monies they earn during the program are held in savings for them to take with them when they leave Vera Lloyd. Vera Lloyd also has a community work program for those who are eligible and have successfully completed the on campus work program.

B. Vera Lloyd's Substance Abuse Counselor has been trained in The Seven Challenges evidence-based curriculum, specifically designed for adolescents. Independent studies funded by The Center for Substance Abuse Treatment in Washington, D.C. report that The Seven Challenges significantly decreases the substance use of adolescents and greatly improved the overall mental health status. Data also shows that the program has been especially effective with the large number of substance abuse youth who have trauma issues. The SAMHSA National Registry of Evidence-Based Programs and Practices gave Seven Challenges a perfect score for "Readiness for Dissemination." Vera Lloyd has been utilizing the program for a little over the year with excellent results.

Seven Challenges provides youth with the tools they need to make thoughtful decisions about their own lives and alcohol and drug use. The program ensures a safe atmosphere that allows youth to be open and honest and really examine their own lives, giving them a sense of empowerment. The goal of the program is for youth to make thoughtful decisions to better their own lives, so they can be healthy and productive members of society. The curriculum below is used and is designed to meet the needs of each individual client.

Seven Challenges Curriculum

Journal One Topic: Opening up

Journal One Part Two: Drug History

Journal two Topic: What do you like about Alcohol and other Drug use?

Journal three Topic: Harm and Potential Harm

Journal Four Topic: Shared Responsibility

Journal Five Topic: Where do you see Yourself Headed?

Journal Six Topic: Decision Making

Journal Seven Topic: Following Through

Journal Seven Part two Topic: Relapse Prevention

D. Vera Lloyd will provides for all the health needs of our youth, both mental health and physical health needs. All youth receive a continuum of mental health services provided by The Pointe by a licensed mental health professional. Weekly individual and group therapy, family sessions, psychological testing and evaluation, and medication management are available according to the youth's needs. Therapists partner with the Vera Lloyd treatment team to ensure treatment is effective and productive. The Pointe also provides two case managers that work with the youth, in addition to Vera Lloyd staff. Therapists also conduct a Needs Assessment of each youth detailing the youth and family's clinical mental health needs. Youth who have substance abuse in their past or who are currently struggling with the temptation to use are enrolled in our substance abuse therapy program with our licensed substance abuse counselor. This program includes biweekly individual sessions and weekly group sessions until the youth completes the program successfully.

Vera Lloyd has two nurses on staff who help to address any minor medical complaints by youth. When those needs cannot be addressed by nurses, youth will be taken to the Primary Care Physician if available or if after hours or on the weekend to the Emergency Room.

E. Vera Lloyd's on-site sick call protocol starts with not feeling well to the home staff. The home staff then contacts the nurse. The home staff or nurse may then take the youth to their Primary Care Physician. If it is after hours, the staff should call the nurse requesting assistance. Nurses are on call 24/7. Illnesses the nurses should be contacted for include, but are not limited to: Injury (self-inflicted or by others); Incident/Accident i.e. falls; Medication Error (missed dose, wrong dose, wrong time); Seizure Activity; Admission to or discharge from the hospital. If a youth is suspected of needing immediate emergency medical attention and the nurse is off duty, the home staff should call 911 or if practical, staff or nurse can drive the youth to the Emergency Room. Nursing is not a substitute for Emergency Medical Services.

Home staff should notify the licensed mental health professional, the nurse, and their supervisor when a youth attempts/succeeds in self-inflicted injuries. If the youth has a wound and home staff/nurse cannot stop the bleeding, the youth should be taken to the Emergency Room immediately.

If youth has a seizure, home staff should activate Emergency Medical Services immediately. If seizure activity is occurring, home staff should ensure that person's surroundings CANNOT cause injury. Request assistance from nurse and other home staff until EMS arrives.

If youth (or staff) report any symptoms of COVID-19 (cough, shortness of breath/chest pain, elevated temperature) youth or staff in proximity should place a mask on themselves and the youth (or staff) showing symptoms and contact PCP for further instructions. If COVID-19 is suspected/confirmed, COVID-19 protocol and quarantine plan should be followed.

fingers to pull the sides of their mouth apart in order to ensure that the medication has not been “cheeked.”

The youth should then cough and eat a cracker to prevent the youth from coughing the medication back up.

All medications are kept locked, unless being dispensed. All medications are dispensed in the office of the group home with only the youth receiving the medication in the office at the time of dispensing. Medications are never to be left unattended.

H. Vera Lloyd has an on-campus school, which is staffed by the Monticello School District utilizing certified teachers. Credit recovery and GED instruction is provided based on the individual needs of the youth. Vera Lloyd also offers academic tutors to help youth to learn and problem solve on their own. Additionally, Vera Lloyd offers a Summer Enrichment Program, which helps youth continue learning in the summer by providing fun and educational programs and activities. In addition, Vera Lloyd offers piano and guitar lessons.

I. Vera Lloyd encourages all of our youth to have goals, as well as discuss and plan for their future. We communicate to them that they have a choice as to how their future unfolds. Vera Lloyd strives to make sure that the future that we help the youth plan is one of their choosing, but guided by forethought and reality. Our Transition Services Specialist schedules meetings with all our youth every month.

Steps to an aftercare plan:

1. The youth 15 and older begin planning their future with a simple worksheet that asks about current plans for 1. Living situation, 2. Education, 3. Job and Career plans (short and long term), 4. Improved peer relations, 5. Substance abuse avoidance, 6. Community Relations and mentorship.
2. All youth take a career interest survey and pick three areas they want to learn more about. The older youth begin research about the education and requirements to get into that career. Any youth who want to take a visit to Job Corps or local colleges or technical schools are encouraged to do so. The Transition Resource Specialist (TRS) facilitates those visits.
3. From the initial worksheet the TRS and youth meet to develop an aftercare plan. This plan is designed around the six areas listed in the first step. For each area the TRS and youth plan what the youth needs to do on one side and “How Vera Lloyd can Help” on the other side. This plan may change and evolve throughout the youth’s stay at VL.
4. As the TRS, Mental Health Therapist and Substance abuse Counselor continue to meet with the youth, this plan along with the youth’s individual learning plan and goals are discussed and monitored.



Division of Child Care & Early
Childhood Education
P.O. Box 1437, Slot S140
Little Rock, AR 72203-1437
P: 501.682.8590
F: 501.683.6060
TDD: 501.682.1550
HUMANSERVICES.ARKANSAS.GOV

April 2, 2020

Re: Vera Lloyd

Greetings,

This letter is notification that Presbyterian Family and Child Services, Inc. currently holds an Emergency and Residential license for their Vera Lloyd Presbyterian Home located at 745 Warren Rd. Monticello, AR 71655. The licenses were issued on 9/23/2003. The licenses are in good standing and do not have any past, present or pending adverse actions.

Please advise if you need any additional information.

Thank you,

A handwritten signature in blue ink that reads "Ebony Russ".

Ebony Russ

Program Manager

Placement and Residential Licensing Unit/DCCECE

700 Main St.

Little Rock, AR 72203

501-320-3971 (office)

501-682-2317 (fax)

The Arkansas Child Welfare Agency Review Board

in cooperation with

Arkansas Department of Human Services

Division of Children and Family Services

Certifies that

Vera Lloyd Presbyterian Home and Family Services, Inc.
745 Warren Road
Monticello, AR 71655

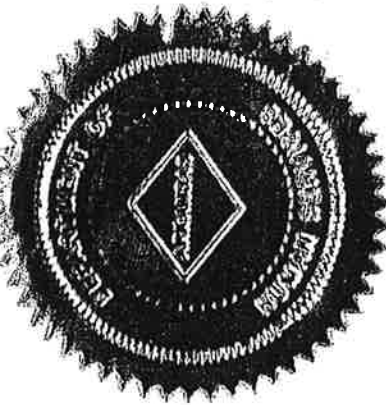
is hereby issued LICENSE # 10071 effective date September 23, 2003

FOR THE PURPOSE OF PROVIDING RESIDENTIAL CARE/PLACEMENT SERVICES IN THE STATE OF ARKANSAS
THE SPECIFIC SERVICES AUTHORIZED BY THIS LICENSE ARE:

- Residential Services: Capacity: 75 Ages: 6 to 18
- 54 Residential Facility
- 21 Emergency Shelter
- _____ Psychiatric Residential Treatment Facility
- _____ Sexual Offender Program

- Placement Services:
- _____ Adoptive Placement
- _____ Foster Care Placement
- _____ Residential Placement
- _____ Therapeutic Foster Care Placement

THIS IS A REGULAR LICENSE AND WILL REMAIN IN EFFECT UNTIL SUCH TIME AS IT IS CHANGED TO ANOTHER TYPE OF LICENSE OR CLOSED.



In Witness whereof, we have set our hand on this

September 23rd 2003

By _____

Chairman
Child Welfare Agency Review Board

September 20, 2019

Ms. Kara Benca
DYS Assistant Director
P.O. Box 1437, Slot S501
Little Rock, AR 72203-1437
RE: Contract #4600044433
Provision of Medical Services Corrective Action Plan

Dear Kara:

In reference to your letter dated September 12, 2019 regarding provision of medical services on the Vera Lloyd Presbyterian Family Services (VLPFS) campus, our leadership team has developed a corrective action plan to address the following performance indicators under Program Deliverable 1 (please note the PI reflect the most recent contract performance indicators):

PI 4. The Contractor shall perform an assessment within twenty (20) calendar days of admission to the program of the therapeutic needs of each DYS juvenile admitted and maintain written documentation of the assessment in the juvenile's individual case file.

PI 7. The Contractor shall submit a copy of the treatment plan to the DYS Intake and Case Management Unit in the manner required by DYS policies, procedures and guidelines within (5) calendar days of completion. Submission of the treatment plan to the DYS Intake and Case Management Unit shall be documented in the juvenile's individual case file.

PI 9. The Contractor shall provide services in accordance with the treatment plan and maintain individual juvenile records that document daily activities performed to implement the treatment plan and the juveniles progress toward meeting individual treatment objectives. Individual juvenile records shall also document diagnoses, symptoms, complaints, complications, description of the juveniles' functional level, orders for medications, treatments, restorative and

rehabilitative services, social services, diet, group or individual therapy and plans for continuing care and discharge.

PI 17. Each juvenile shall receive at least one (1) hour of individual therapy or individual counseling each week.

Corrective Action Plan

1. To facilitate quicker access to therapy services, VLPFS will require a PCP referral (from the youth's current PCP) to The Pointe in Monticello to accompany each youth upon admission. This will allow time to establish the PCP for the youth to Mainline Health System in Monticello.
2. If the youth is inadvertently admitted without a PCP referral, the house supervisors will contact the parent for a referral. If the parent does not or cannot comply, the house supervisors will contact the youth's PASSE to obtain PCP information, attempt to obtain a referral from the PCP, and if required, will transport the youth to their PCP for the referral.
3. If the youth has no previous PCP, the expected time frame for the youth to establish a PCP, to obtain a PCP referral, and to schedule the initial intake at The Pointe in Monticello, is 7-14 days. This is if there are no problems with the PCP change process, or problems with the youth's PASSE number/case.
4. This procedure will be continued according to Program Deliverable 4, PI 4, "The Contractor shall cooperate with and assist DYS in seeking, facilitating and documenting that Medicaid funds were sought for all eligible services for juveniles referred by DYS and admitted to the Contractor's program."

Vera Lloyd strives to ensure quality trauma-informed, evidence-based treatment for all youth in our care. While this is always the case, the process is imperfect and we make every effort to overcome the gaps and barriers to quality service. Thank you for the opportunity to serve youth alongside the Division of Youth Services.

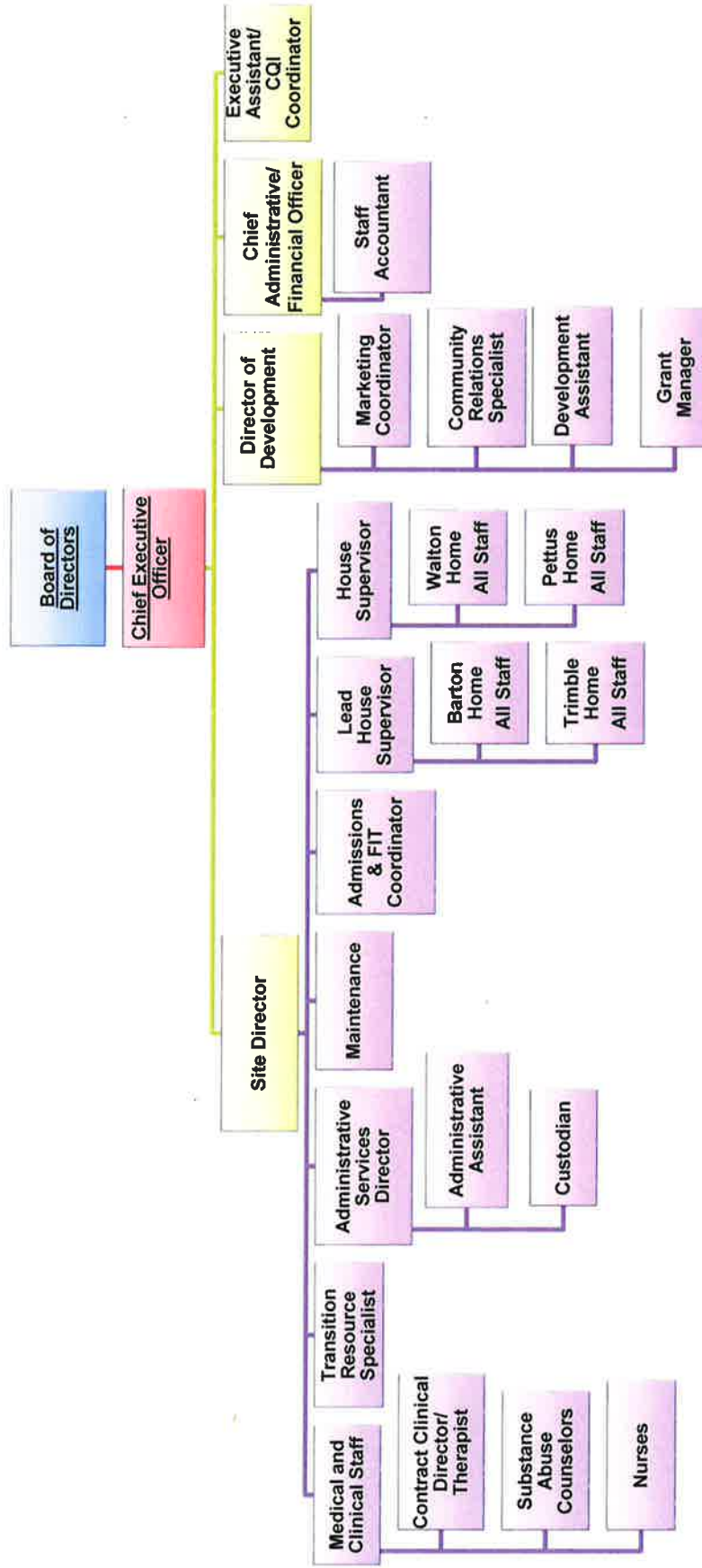
Sincerely,

Donna Mahurin

Chief Executive Officer

Organizational Chart

1.3



The Alternative Learning Environment on campus school is staffed by the Monticello School District.



COUNCIL ON ACCREDITATION

Attests That

**Vera Lloyd Presbyterian Family Services, Inc.
Little Rock, AR**

Is

ACCREDITED

Achieving the Highest Standards of Professional Practice for the Services It Provides

Accredited Through

6/30/2021



Richard Klarberg
President & Chief Executive Officer

Markus Trice
Chair, Board of Trustees

Sponsoring Organizations

Alliance for Children and Families
Association of Jewish Family and
Children's Agencies
Catholic Charities USA
Children's Home Society of America
Child Welfare League of America
Foster Family-based
Treatment Association
Joint Council on International
Children's Services
Lutheran Services in America
National Council For Adoption
National Foundation for
Credit Counseling
National Network for Youth
National Organization of State
Associations for Children
Volunteers of America

Council on Accreditation

45 Broadway, 29th Floor,
New York, NY 10006
212.797.3000
Fax 212.797.1428
www.COAnet.org

July 6, 2017

Donna Mahurin
Chief Executive Officer
Vera Lloyd Presbyterian Family Services, Inc.
1501 North University Avenue, Suite 345
Little Rock, AR 72207

Dear Ms. Mahurin:

It is our great pleasure to inform you that the Council on Accreditation (COA) has approved the accreditation of **Vera Lloyd Presbyterian Family Services, Inc.** through **June 30, 2021**. Let me again say how significant this achievement is! It represents the fulfillment of countless hours of hard work and the dedication of many people—most notably your staff and the members of your board and/or leadership. Please extend my congratulations to them.

This formal notification includes a list of programs and services for which **Vera Lloyd Presbyterian Family Services, Inc.** is accredited, as well as your Final Accreditation Report (FAR). A plaque attesting to your agency's accredited status will be sent to you shortly.

Your Final Accreditation Report (FAR) is an important and incredibly valuable document. It contains the observations and recommendations of your Peer Reviewer colleagues based on your self-study and site visit. In essence, the FAR provides a unique view of your organization as seen through the eyes of highly experienced professionals. In it you will find a copy of the full accreditation ratings for all Purpose, Core, and Practice standards, identifying the Fundamental Practice standards. It may also contain any noted organizational strengths and areas for opportunities.

Please refer to the Promotional Tool Kit web page to find resources that can assist you with leveraging your organization's COA accreditation to internal and external stakeholders.

Private: <http://coanet.org/accreditation/private-organization-accreditation/promote-your-accreditation/>

Public: <http://coanet.org/accreditation/public-agency-accreditation/promote-your-accreditation/>

Canadian: <http://coanet.org/accreditation/canadian-organisation-accreditation/promote-your-accreditation/>

At the very least, however, we recommend that you provide relevant excerpts to those members of your staff who are directly responsible for the respective findings. Should you do so, please explain that the report is intended to be *constructive*, and that the goal is to provide specific, tangible examples of how they can make your organization even stronger and even better.



VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

JUNE 30, 2018 and 2017

WITH

INDEPENDENT AUDITOR'S REPORTS



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Vera Lloyd Presbyterian Family Services, Inc., which comprise the consolidated statements of financial position as of June 30, 2018, 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 (collectively, financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vera Lloyd Presbyterian Family Services, Inc. as of June 30, 2018, 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.

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

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and cash equivalents		
Certificates of deposit		
Accounts receivable		
Investments at fair value		
Other assets		
Total current assets		
Property and equipment, net		
Total assets		
Liabilities and Net Assets		
Current liabilities:		
Accounts payable		
Accrued liabilities		
Total current liabilities		
Net assets:		
Unrestricted		
Temporarily restricted		
Permanently restricted		
Total net assets		
Total liabilities and net assets		

See notes to consolidated financial statements

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years ended June 30, 2018 and 2017

	2018	2017
Salaries and wages		
Payroll taxes and benefits		
Travel/training/board/membership		
Development		
Insurance		
Depreciation		
Office supplies/equipment/postage		
Utilities/telephone/pager		
Maintenance		
Auto		
Food expense		
Program costs		
Professional and legal fees		
Rent		
Total	\$ 1	\$ 1

See notes to consolidated financial statements.

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2018

Note 1 – Organization

Vera Lloyd Presbyterian Family Services, Inc. (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 Foundation became an active corporation in June 2016, when approximately [REDACTED] of cash and investments were transferred from Vera Lloyd to the Foundation. Additional assets totaling approximately [REDACTED] were transferred from Vera Lloyd to the Foundation during the year ended June 30, 2017. The financial statements as of and for the years ended June 30, 2018 and 2017, have been consolidated and all significant inter-organizational accounts and transactions are eliminated in the consolidation. Summarized financial information of the Foundation as of and for the years ending June 30, is as follows:

	2018	2017
Total assets	[REDACTED]	
Total liabilities		
Total net assets		
Total revenues		
Total expenses		

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

Temporarily restricted net assets – Temporarily restricted net assets include net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be satisfied and removed by actions of the Organization.

Permanently restricted net assets – Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. Investment income on permanently restricted net assets is reflected as an addition to temporarily restricted net assets until the funds are appropriated for expenditure.

Net assets released from restrictions

Net assets that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the same reporting period in which the support is recognized. Temporarily 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

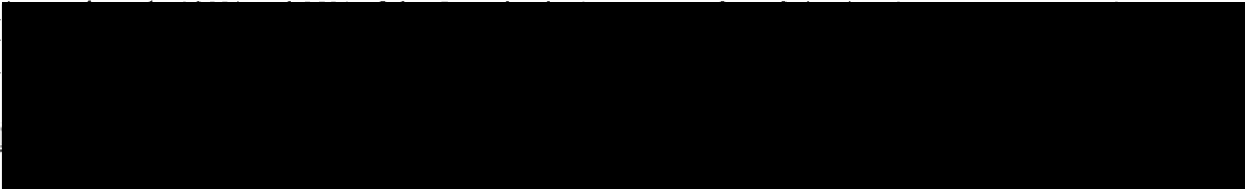
The Organization's spending is governed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which was approved by the Uniform Law Commission to serve as a guideline to states to use in enacting legislation. The state of Arkansas has enacted UPMIFA, which requires nonprofit organizations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

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 temporarily or permanently 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 to give are not included as support until the conditions are substantially met.

Concentration of revenues



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.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, to address diversity in how certain cash receipts and cash payments are presented and classified in the consolidated statement of cash flows. The amendments provide guidance on specific cash flow issues. The ASU is effective for fiscal years beginning after December 15, 2018, and should be applied using a retrospective transition method to each period presented. Early adoption is permitted. The Organization is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

Subsequent events

The Organization has evaluated subsequent events for recognition and disclosure that occurred through September 7, 2018, the date the consolidated financial statements were available to be issued.

Note 3 – 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.

For the years ended June 30, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value.

The balances of assets measured at fair value on a recurring basis at June 30, 2017, are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities				
Mutual funds:				
Large cap funds				
Mid cap funds				
Small cap funds				
Balanced funds				
Income funds				
International funds				
Emerging markets				
Real estate fund				
Growth funds				
Real estate investment trusts				
Corporate bonds				
Limited partnerships				
United States government and municipal obligations				
Collateralized mortgage obligations				
Private equities				
Gift annuities				
Total assets				

The changes in Level 3 assets measured at fair value on a recurring basis are summarized as follows:

	Gift annuities	Private equities	Total
Balance, July 1, 2016			
Contribution			
Net realized and unrealized appreciation (depreciation) of investments			
Balance, June 30, 2017			
Net realized and unrealized appreciation (depreciation) of investments			
Balance, June 30, 2018			

Interpretation of relevant law

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (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 as permanently restricted net assets (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 that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the board of directors 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, 2018 and 2017, is as follows:

	Board- designated unrestricted	Temporarily restricted	Permanently restricted	Total
June 30, 2018				
Donor-restricted endowment funds				
Board-designated endowment funds				
Total endowment funds				
June 30, 2017				
Donor-restricted endowment funds				
Board-designated endowment funds				
Total endowment funds				

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 of directors, and was 6.5% and 5% of the value of the invested endowment assets for the years ended June 30, 2018 and 2017, respectively. The calculation of the spending amount is based on the quarterly average endowment fund market values as of March 31st 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. In accordance with U.S. GAAP, deficiencies of this nature that are reported in unrestricted net assets were [REDACTED] as of June 30, 2018 and 2017, respectively. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs as deemed prudent by the board of directors.

Note 7 – 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, 2018 and 2017, totaled approximately [REDACTED] respectively.

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

Note 8 – 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.

SUPPLEMENTAL INFORMATION

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

NOTES TO THE SCHEDULE OF GOVERNMENTAL ASSISTANCE

June 30, 2018

Note 1 – Basis of Presentation

The accompanying Schedule of Governmental Assistance (the Schedule) includes the federal grant and contract activity of Vera Lloyd Presbyterian Family Services, Inc. under programs of the federal government for the year ended June 30, 2018. No federal awards were 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 awards were provided to subrecipients.

**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 the 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, 2018, 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 7, 2018.

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) to determine the audit 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 have not been 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 determination of financial statement amounts. However,

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

SUPPLEMENTAL DATA SHEET

June 30, 2018 and 2017

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

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

EIN:



Phone:

Chief Executive Officer and Contact Person: Ms. Donna Mahurin



VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

JUNE 30, 2019 and 2018

WITH

INDEPENDENT AUDITOR'S REPORTS



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Vera Lloyd Presbyterian Family Services, Inc., which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and 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, financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vera Lloyd Presbyterian Family Services, Inc. as of June 30, 2019 and 2018, 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.

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

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents		
Certificates of deposit		
Accounts receivable		
Investments at fair value		
Other assets		
Total current assets		
Property and equipment, net		
Total assets		
Liabilities and Net Assets		
Current liabilities:		
Accounts payable		
Accrued liabilities		
Total current liabilities		
Net assets:		
Without donor restrictions		
With donor restrictions		
Total net assets		
Total liabilities and net assets		

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019 and 2018

Note 1 – Organization

Vera Lloyd Presbyterian Family Services, Inc. (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 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 Foundation became an active corporation in June 2016. The financial statements as of and for the years ended June 30, 2019 and 2018, 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 ending June 30, is as follows:

	2019	2018
Total assets		
Total liabilities		
Total net assets		
Total revenues		
Total expenses		

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

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, maintenance of the houses, and other uses. See Note 7 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 restricts 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 from 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

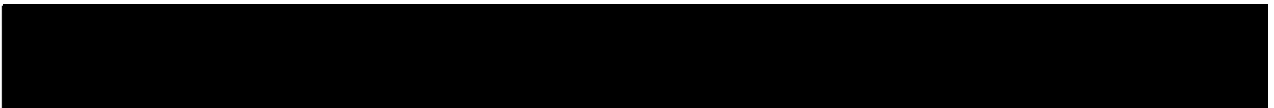
The Organization's spending is governed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which was approved by the Uniform Law Commission to serve as a guideline to states to use in enacting legislation. The state of Arkansas has enacted UPMIFA, which requires nonprofit organizations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

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.

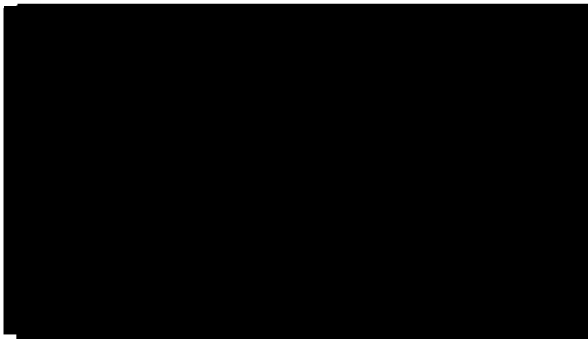
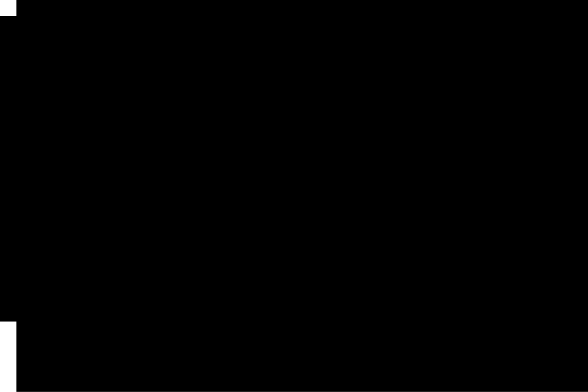
Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts 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 to give are not included as support until the conditions are substantially met.

Concentration of revenues

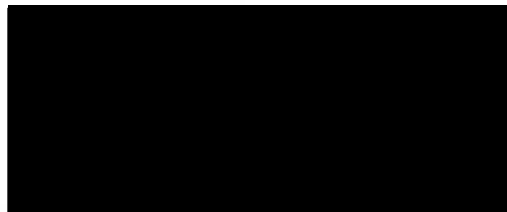




A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of June 30, 2018, is as follows:

Net Assets Classifications	ASU 2016-14 Classifications		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets

As previously presented:			
Unrestricted			
Temporarily restricted			
Permanently restricted			
Net assets previously presented, at June 30, 2018			
Reclassification of underwater endowments			
Net assets, as reclassified, at June 30, 2018			

Net Realized and Unrealized Appreciation of Investments	Donor Restrictions	Donor Restrictions	Net Assets
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As previously presented:			
Unrestricted			
Temporarily restricted			
Adoption of ASU 2016-14:			
Investment fees			
Change in value of underwater endowment			
Net realized and unrealized appreciation of investments, for the year ended June 30, 2018			

The majority of the Organization's support and revenues are not restricted by donors and the Organization 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 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. They have further been able to subsidize expenses through the sale of timber owned by the Organization, resulting in approximately ██████ in additional income during the year. Although the Organization holds a portion of net assets with donor restrictions, approximately ██████ of their 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.

For the years ended June 30, 2019 and 2018, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value.

The balances of assets measured at fair value on a recurring basis at June 30, 2018, are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities				
Mutual funds:				
Large cap funds				
Mid cap funds				
Small cap funds				
Balanced funds				
Income funds				
International funds				
Emerging markets				
Real estate fund				
Growth funds				
Alternative investment funds				
Real estate investment trusts				
Corporate bonds				
Limited partnerships				
United States government and municipal obligations				
Private equities				
Gift annuities				
Total assets				

The changes in Level 3 assets measured at fair value on a recurring basis are summarized as follows:

	Gift Annuities	Private Equities	Total
Balance, July 1, 2017			
Net realized and unrealized appreciation (depreciation) of investments			
Balance, June 30, 2018			
Net realized and unrealized appreciation of investments			
Balance, June 30, 2019			

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, 2019 and 2018, is as follows:

	<u>2019</u>	<u>2018</u>
Donor-restricted endowment funds		
Board-designated endowment funds, without donor restrictions		
Total endowment funds		

Changes in endowment net assets for the years ended June 30, 2019 and 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year, July 1, 2017			
Investment return:			
Interest and dividends			
Net appreciation (unrealized and realized), net of fees			
Total investment return			
Contributions			
Appropriation of endowment assets for expenditure			
Transfers to board designated endowment funds, net			
Endowment net assets, end of year, June 30, 2018			
Investment return:			
Interest and dividends			
Net appreciation (unrealized and realized), net of fees			
Total investment return			
Appropriation of endowment assets for expenditure			
Transfers to/from board designated endowment funds, net			
Endowment net assets, end of year, June 30, 2019			

Note 8 – Net Assets with Donor Restrictions

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

	<u>2019</u>	<u>2018</u>
Endowment earnings, subject to expenditure for specified purpose:		
Assist with private referrals for programs in Monticello		
Scholarships		
Investment earnings in excess of spend rate		
Total endowment earnings, subject to expenditure for specified purpose		
Funds restricted in perpetuity:		
Charbeck Fund		
Pettus Home Endowment		
Jerry Newbold Memorial		
General Endowment Donor		
Barton Home Endowment		
Williamson Endowment		
Walton Endowment		
Wooten Anderson Endowment		
Marsh Horsfall Fund		
Lorene Empson Private Placement		
Icy Gregory Endowment		
Total funds restricted in perpetuity		
Total donor-restricted endowment funds		
Subject to expenditure for specified purpose:		
Renovation of facilities		
Maintenance of the Lewis Home		
Total subject to expenditure for specified purpose		
Total net assets with donor restrictions		

Note 9 – 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, 2019 and 2018, totaled approximately [REDACTED], respectively.

SUPPLEMENTAL INFORMATION

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.
NOTES TO THE SCHEDULE OF GOVERNMENTAL ASSISTANCE

June 30, 2019

Note 1 – Basis of Presentation

The accompanying Schedule of Governmental Assistance (the Schedule) includes the federal grant and contract activity of Vera Lloyd Presbyterian Family Services, Inc. under programs of the federal government for the year ended June 30, 2019. No federal awards were 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 awards were provided to subrecipients.

**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 the 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, 2019, 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, 2019.

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) to determine the audit 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 have not been 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 determination of financial statement amounts. However,

VERA LLOYD PRESBYTERIAN FAMILY SERVICES, INC.

SUPPLEMENTAL DATA SHEET

June 30, 2019

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

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

EIN:



Phone:

Chief Executive Officer and Contact Person: Ms. Donna Mahurin



VERA LLOYD

PRESBYTERIAN FAMILY SERVICES

EEOC Statement

The following policy statement serves as Vera Lloyd's EEOC Policy as ratified by the Board of Directors:

Employment at Vera Lloyd Presbyterian Family Services will be based on merit, qualification and abilities, in order to provide equal employment and advancement opportunities to all individuals. Employment practices will not be influenced or affected by an applicant's or employee's race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law, except where required or permitted by law.

The Agency will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

An employee with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of their immediate supervisor, then to the Site Director and then to the Chief Executive Officer. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Section 1.24

Vera Lloyd Presbyterian Family Services will not be providing or supplying any information technology equipment for purchase to the State Template below shows technology access for youth and staff.

VOLUNTARY PRODUCT ACCESSIBILITY TEMPLATE

CRITERIA	LEVEL OF SUPPORT & SUPPORTING FEATURES	REMARKS & EXPLANATION
a) Software Applications and Operating Systems	Text inputs and keyboard actions are textually indicated. Input fields are highlighted to show focus. Meta-information is provided for assistive technology.	Youth will have access to desktop/laptop computer for school assignments. Standard computer applications will be provided that are easy to use. Controlled web-access will be provided for Odyssey web portal to assist with educational needs.
b) Web-Based Internet Information and Applications	Secured access to the DYS web portal - Rite-Track system	Provider will utilize the DYS Rite-Track system for submission of invoice billings. Provider will utilize the RTS for referrals, discharges, incident reporting, and transfer of custody.
c) Telecommunications Products	Samsung phone system Fully supported and maintained	None
d) Video & Multi-Media Products	Standard audio /video equipment Captioning , audio	Conference calls, Telemed
e) Self-Contained, Closed Products	N/A	None
f) Desktop and Portable Computers	HP products. Fully supported and maintained	Standard business machines will be utilized in the performance of the services.
g) Functional Performance Criteria	Screen size can be user adjusted	
h) Information, Documentation and Support	Help documentation	None

Organizational Chart

E.3

