



Financial Statements
December 31, 2016 and 2015
Village Family Service Center

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Independent Auditor's Report

The Board of Directors
Village Family Service Center
Fargo, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the Village Family Service Center which comprise the statement of financial position as of December 31, 2016, and the related statement of activity, cash flows, and functional expenses for the year then ended and the related notes to the 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. 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 the Village Family Service Center as of December 31, 2016, 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.

Report on Summarized Comparative Information

We have previously audited the Village Family Service Center's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 4, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
March 21, 2017

Village Family Service Center
Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Cash	\$ 41,176	\$ 24,813
Receivables, net	876,433	813,201
Due from Children's Village Foundation	565,790	516,809
Prepaid expenses	100,787	98,270
Investments	790	25,957
Goodwill	522,577	522,577
Land held for future projects	915,000	915,000
Property and equipment, net of accumulated depreciation	1,462,118	1,417,747
Total assets	\$ 4,484,671	\$ 4,334,374
 Liabilities and Net Assets		
Liabilities		
Checks issued but not presented for payment	\$ 64,848	\$ 28,518
Short-term notes payable	1,114,462	1,122,081
Accounts payable	287,932	252,439
Accrued liabilities	859,964	718,241
Deferred revenue	373,237	346,166
Long-term debt	1,669,914	1,771,720
Total liabilities	4,370,357	4,239,165
 Net Assets		
Unrestricted	52,422	23,938
Temporarily restricted	61,892	71,271
Total net assets	114,314	95,209
Total liabilities and net assets	\$ 4,484,671	\$ 4,334,374

Village Family Service Center

Statement of Activity

Year Ended December 31, 2016

(With Comparative Totals for Year Ended December 31, 2015)

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
Revenue, Support and Gains				
Foundation	\$ 249,561	\$ -	\$ 249,561	\$ 862,441
Donations from businesses, individuals, and organizations	509,911	-	509,911	602,497
Federal and other grant revenue	375,530	218,928	594,458	692,363
Gross special events revenue	535,661	-	535,661	524,142
Less cost of direct benefits to donors	<u>(257,694)</u>	<u>-</u>	<u>(257,694)</u>	<u>(231,547)</u>
Net special events revenue	<u>277,967</u>	<u>-</u>	<u>277,967</u>	<u>292,595</u>
Total received from public	1,412,969	218,928	1,631,897	2,449,896
Allocated by United Way	<u>661,553</u>	<u>-</u>	<u>661,553</u>	<u>739,789</u>
Total public support	<u>2,074,522</u>	<u>218,928</u>	<u>2,293,450</u>	<u>3,189,685</u>
Revenue and Gains				
Counseling fees	6,040,410	-	6,040,410	5,310,481
Village Business Institute	2,130,255	-	2,130,255	2,130,887
Child care	952,746	-	952,746	962,370
First Step Recovery	1,309,092	-	1,309,092	1,129,378
Program and sublease rent	190,526	-	190,526	196,413
Adoption fees	144,744	-	144,744	129,840
Truancy intervention	129,667	-	129,667	103,444
Magazine sales	-	-	-	101,985
Miscellaneous revenues	47,009	-	47,009	39,173
Net assets released from restrictions	<u>228,307</u>	<u>(228,307)</u>	<u>-</u>	<u>-</u>
Total revenue and gains	<u>11,172,756</u>	<u>(228,307)</u>	<u>10,944,449</u>	<u>10,103,971</u>
Total revenue, support and gains	<u>13,247,278</u>	<u>(9,379)</u>	<u>13,237,899</u>	<u>13,293,656</u>
Expenses				
Program services				
Counseling Services	3,914,244	-	3,914,244	3,667,746
Family Therapy	2,241,923	-	2,241,923	2,088,135
Village Business Institute	2,290,028	-	2,290,028	1,754,810
Child Care	1,678,772	-	1,678,772	1,591,204
Financial Resource Center	406	-	406	573,516
First Step Recovery	1,343,737	-	1,343,737	1,209,630
Big Brother Big Sister	315,125	-	315,125	279,072
Adoption	199,880	-	199,880	189,082
Truancy intervention	161,015	-	161,015	130,658
Alternative to Abortion	46,520	-	46,520	74,455
The Village Family Magazine	-	-	-	109,560
Total program services expenses	<u>12,191,650</u>	<u>-</u>	<u>12,191,650</u>	<u>11,667,868</u>

Village Family Service Center

Statement of Activity

Years Ended December 31, 2016

(With Comparative Totals for Year Ended December 31, 2015)

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
Supporting services				
Management and general	\$ 493,056	\$ -	\$ 493,056	\$ 1,112,308
Fundraising	534,088	-	534,088	450,736
Total supporting services expenses	1,027,144	-	1,027,144	1,563,044
Total expenses	13,218,794	-	13,218,794	13,230,912
Change in Net Assets	28,484	(9,379)	19,105	62,744
Net Assets, Beginning of Year	23,938	71,271	95,209	32,465
Net Assets End of Year	\$ 52,422	\$ 61,892	\$ 114,314	\$ 95,209

Village Family Service Center
Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Operating Activities		
Change in net assets	\$ 19,105	\$ 62,744
Adjustments to reconcile changes in net assets to net cash from (used for) operating activities		
Depreciation	127,979	126,477
Forgiveness of long-term debt recognized as a contribution	-	(550,000)
Contributions restricted for specific purposes	(218,928)	(155,295)
Changes in assets and liabilities		
Receivables	(112,213)	(106,424)
Prepaid expenses	(2,517)	15,150
Checks outstanding in excess of bank balance	36,330	28,518
Accounts payable	35,493	14,523
Accrued liabilities	141,723	12,147
Deferred revenue	27,071	9,487
Net Cash From (Used For) Operating Activities	54,043	(542,673)
Investing Activities		
Purchases of property and equipment	(172,350)	(68,207)
Sale (purchase) of investments	25,167	(25,957)
Net Cash Used For Investing Activities	(147,183)	(94,164)
Financing Activities		
Payments on long-term debt	(101,806)	(217,274)
Contributions restricted for specific purposes	218,928	155,295
Net change in short-term notes payable	(7,619)	506,399
Proceeds from issuance of long-term debt	-	200,000
Net Cash From Financing Activities	109,503	644,420
Net Change in Cash	16,363	7,583
Cash, Beginning of Year	24,813	17,230
Cash, End of Year	\$ 41,176	\$ 24,813
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 61,008	\$ 56,580

Village Family Service Center
Statement of Functional Expenses
Year Ended December 31, 2016
(With Comparative Totals for Year Ended December 31, 2015)

	Counseling Services	Family Therapy	Village Business Institute	Child Care	Financial Resource Center	First Step Recovery
Salaries	\$ 2,436,557	\$ 1,341,302	\$ 989,702	\$ 1,038,893	\$ 127	\$ 826,431
Employee benefits	338,816	242,045	169,605	159,273	31	142,576
Travel	63,961	106,070	38,059	3,148	-	1,167
Allocated program rent and utilities	240,497	96,299	109,771	43,031	-	93,531
Contracted services	23,961	5,446	464,877	25,368	-	3,865
Office supplies and postage	45,539	13,251	28,876	136,830	118	10,159
Printing and publications	13,563	8,018	57,286	947	-	9,827
Telephone	39,252	31,705	19,621	5,366	-	4,769
Repairs, maint. and other rentals	25,303	16,719	12,416	12,505	125	13,874
Staff training	16,588	10,482	16,344	856	-	2,634
Professional fees	29,653	27,183	26,323	4,045	-	38,422
Advertising	27,383	1,586	11,432	1,934	-	22,491
Insurance	22,782	13,631	12,521	8,816	5	6,726
Interest	5,267	12,295	-	6,024	-	3,701
Client assistance and special programs	1,302	475	2,475	-	-	10,798
Administrative charge	562,718	309,554	325,623	226,614	-	164,430
Other	7,843	160	(1,700)	(32,225)	-	(16,546)
	<u>3,900,985</u>	<u>2,236,221</u>	<u>2,283,231</u>	<u>1,641,425</u>	<u>406</u>	<u>1,338,855</u>
Total expenses before depreciation						
Depreciation	13,259	5,702	6,797	37,347	-	4,882
	<u>13,259</u>	<u>5,702</u>	<u>6,797</u>	<u>37,347</u>	<u>-</u>	<u>4,882</u>
Total expenses	<u>\$ 3,914,244</u>	<u>\$ 2,241,923</u>	<u>\$ 2,290,028</u>	<u>\$ 1,678,772</u>	<u>\$ 406</u>	<u>\$ 1,343,737</u>

Village Family Service Center
Statement of Functional Expenses
Year Ended December 31, 2016
(With Comparative Totals for Year Ended December 31, 2015)

	Big Brother Big Sister	Adoption	Truancy Intervention	Alternative to Abortion	Total Program Services Expenses
Salaries	\$ 185,986	\$ 74,605	\$ 121,528	\$ 31,200	\$ 7,046,331
Employee benefits	47,145	14,186	21,972	6,396	1,142,045
Travel	5,398	6,672	1,550	-	226,025
Allocated program rent and utilities	6,432	15,616	-	-	605,177
Contracted services	33	46,714	-	-	570,264
Office supplies and postage	4,373	1,624	197	420	241,387
Printing and publications	8,947	2,130	685	-	101,403
Telephone	1,688	2,351	813	760	106,325
Repairs, maint. and other rentals	2,478	1,914	-	-	85,334
Staff training	2,294	397	7	-	49,602
Professional fees	487	3,941	-	3,984	134,038
Advertising	10	626	-	-	65,462
Insurance	1,722	4,306	1,295	-	71,804
Interest	-	273	-	-	27,560
Client assistance and special programs	3,594	1,217	1,042	-	20,903
Administrative charge	41,790	30,882	11,926	3,760	1,677,297
Other	869	(8,227)	-	-	(49,826)
	<u>313,246</u>	<u>199,227</u>	<u>161,015</u>	<u>46,520</u>	<u>12,121,131</u>
Total expenses before depreciation					
Depreciation	<u>1,879</u>	<u>653</u>	<u>-</u>	<u>-</u>	<u>70,519</u>
Total expenses	<u>\$ 315,125</u>	<u>\$ 199,880</u>	<u>\$ 161,015</u>	<u>\$ 46,520</u>	<u>\$ 12,191,650</u>

Village Family Service Center
Statement of Functional Expenses
Year Ended December 31, 2016
(With Comparative Totals for Year Ended December 31, 2015)

	<u>Support Services</u>			<u>Total Expenses</u>	
	Management and General	Fund Raising	Total Support	2016	2015
Salaries	\$ 1,318,599	\$ 373,644	\$ 1,692,243	\$ 8,738,574	\$ 8,311,842
Employee benefits	154,848	74,175	229,023	1,371,068	1,491,504
Travel	60,150	15,053	75,203	301,228	329,563
Allocated program rent and utilities	154,459	23,345	177,804	782,981	840,389
Contracted services	46,794	575	47,369	617,633	582,200
Office supplies and postage	50,484	4,145	54,629	296,016	317,089
Printing and publications	36,147	17,732	53,879	155,282	253,131
Telephone	25,260	2,072	27,332	133,657	147,532
Repairs, maint. and other rentals	60,458	4,569	65,027	150,361	132,199
Staff training	35,946	3,246	39,192	88,794	95,373
Professional fees	78,634	6,500	85,134	219,172	180,164
Advertising	11,868	1,089	12,957	78,419	179,535
Insurance	(8,943)	3,341	(5,602)	66,202	64,939
Interest	33,448	-	33,448	61,008	56,580
Client assistance and special programs	1,296	3,100	4,396	25,299	22,859
Administrative charge	(1,677,297)	-	(1,677,297)	-	-
Other	54,558	389	54,947	5,121	104,536
	<u>436,709</u>	<u>532,975</u>	<u>969,684</u>	<u>13,090,815</u>	<u>13,109,435</u>
Total expenses before depreciation					
Depreciation	56,347	1,113	57,460	127,979	121,477
	<u>56,347</u>	<u>1,113</u>	<u>57,460</u>	<u>127,979</u>	<u>121,477</u>
Total expenses	<u>\$ 493,056</u>	<u>\$ 534,088</u>	<u>\$ 1,027,144</u>	<u>\$ 13,218,794</u>	<u>\$ 13,230,912</u>

Note 1 - Organization and Summary of Significant Accounting Policies

Organization and Nature of Operations

The Village Family Service Center (Village) is a nonprofit organization established to improve the quality of life through services designed to strengthen individuals, families, and organizations.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Estimates

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

Income Taxes

The Village is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Village is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes.

The Village believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Village would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Concentrations of Credit Risk

The Village maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Cash and Cash Equivalents

The Village considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Village are excluded from this definition.

Receivables and Credit Policy

Trade receivables are uncollateralized customer obligations due upon receipt. Payments on trade receivables are applied to the earliest unpaid invoices. The carrying amount of trade receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews all aged trade receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. The allowance for doubtful accounts as of December 31, 2016 and 2015 is \$70,000 and \$126,000.

Goodwill

Goodwill represents costs in excess of purchase price over the fair value of the assets of businesses acquired, including other identifiable intangible assets.

Goodwill is not amortized, rather potential impairment is considered on an annual basis, or more frequently upon the occurrence of an event or when circumstances indicate that the amount of goodwill is greater than its fair value. As of December 31, 2016 and 2015, the carrying value of the Village's goodwill of \$522,577 was not considered impaired.

Land Held for Future Projects

Land held for future projects represents land recorded at fair value at the date of donation and is to be used to support the mission of the Village.

Property and Equipment

Property and equipment additions in excess of \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from two to forty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ending December 31, 2016 and 2015.

Deferred Revenue

Program service fees and payments under contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

Funds Held for Others

The Village acts as a custodian of funds held for others. These funds are included in cash and accounts payable in the financial statements. As of December 31, 2016 and 2015, the cash held for others was \$3,824 and \$6,452.

Net Assets

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

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Village and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Village's Board of Directors.

The Village reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Village. The restrictions stipulate that resources be maintained permanently but permit the Village to expend the income generated in accordance with the provisions of the agreements.

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Grant revenue is recognized in the period received if unrestricted, if restrictions are noted the revenue is deferred until the restrictions are met.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$78,419 and \$179,535 for the years ended December 31, 2016 and 2015.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activity. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 2 - Property and Equipment

Property and equipment consists of the following:

	2016			2015 Net
	Cost	Accumulated Depreciation	Net	
Land	\$ 377,218	\$ -	\$ 377,218	\$ 377,218
Building and leasehold improvements	2,004,522	1,241,052	763,470	795,321
Office furniture and equipment	919,115	597,685	321,430	245,208
	<u>\$ 3,300,855</u>	<u>\$ 1,838,737</u>	<u>\$ 1,462,118</u>	<u>\$ 1,417,747</u>

Note 3 - Leases

The Village rents office space for 16 satellite sites under operating leases. The terms of 2 of the leases are on a month-to-month basis while the remaining 14 leases have various ending times through December 2020.

The Village rents office equipment for its Fargo operation and satellite sites under leases expiring at various times through April 2019. These leases are accounted for as operating leases.

The Village leases 14 autos. These leases are accounted for as operating leases and have various ending times through May 2019.

The Village leases telephone equipment under a capital lease ending February 2018.

Future minimum lease payments under leases with terms greater than month-to-month are as follows:

Years Ending December 31,	Capital Lease	Operating Leases
2017	\$ 24,974	\$ 417,337
2018	2,081	313,727
2019	-	121,698
2020	-	30,315
Total minimum lease payments	27,055	\$ 883,077
Less portion representing interest	(1,210)	
Present value of minimum lease payments - Note 4	<u>\$ 25,845</u>	

Total rent expense for office space, equipment, and auto was \$647,693 and \$670,394 in 2016 and 2015, respectively.

Leased property under capital lease at December 31, 2016 and 2015 includes:

	2016	2015
Equipment	\$ 103,488	\$ 103,488
Less accumulated amortization	(77,643)	(55,674)
	\$ 25,845	\$ 47,814

Note 4 - Notes Payable

Line of Credit and Short-Term Notes Payable

The Village has a line of credit with maximum borrowings of \$1,000,000 through Bremer Bank. The line of credit has a variable interest rate equal to the index plus .75 percentage points (4.25% at December 31, 2016). The outstanding balance was \$664,462 and \$672,081 at December 31, 2016 and 2015 and the line matures July 2017 and is secured by substantially all assets.

The Village has a second line of credit with maximum borrowings of \$250,000 through Bremer Bank. The line of credit is a variable interest rate equal to the index plus .75 percentage points (4.25% at December 31, 2016). The outstanding balance was \$250,000 at December 31, 2016 and 2015, and the line matures July 2017 (see Note 8).

The Village has a short-term note payable with a balance of \$200,000 through Bremer Bank. The note is a variable interest rate equal to the index plus .5 percentage points (4% at December 31, 2016). The outstanding balance was \$200,000 at December 31, 2016 and 2015 and the note matures July 2017 (see Note 8).

Long-Term Notes Payable

	2016	2015
0% note payable to the Foundation, due on demand, unsecured, subordinated to bank debt	\$ 1,125,000	\$ 1,125,000
4.00% note payable to Bremer Bank, due in monthly installments of \$5,965 plus interest until July 2017 when a \$414,229 balloon payment is due, secured by real estate and substantially all business assets (a)	440,888	454,253
4.00% note payable to Bremer Bank, due in monthly installments of \$1,056 plus interest until July 2017 when a \$73,806 balloon payment is due, secured by real estate and substantially all business assets (a)	78,181	80,877
Non-interest note payable to Michael Kaspari - paid in full	-	63,776
Capital lease obligation - Note 3	25,845	47,814
	\$ 1,669,914	\$ 1,771,720

(a) The notes payable were extended from a maturity date of March 31, 2016 to July 1, 2017. These notes, along with certain short-term notes were repaid after year-end (see Note 8).

Minimum repayments of debt obligations to maturity are as follows:

Years Ending December 31,	Amount
2017	\$ 1,667,845
2018	2,069
	\$ 1,669,914

The bank debt agreement has restrictive covenants. The Village was in violation of some of these covenants at December 31, 2016, for which a waiver has been obtained.

The Children's Village Foundation is a co-borrower to all notes with Bremer Bank.

Note 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following programs as of December 31, 2016 and 2015:

	2016	2015
Childcare	\$ 31,250	\$ -
Counseling Services	26,009	36,957
Development	4,633	4,633
Financial Resource Center	-	29,681
	\$ 61,892	\$ 71,271

Net assets were released from restrictions for the following programs as of December 31, 2016 and 2015:

	2016	2015
Childcare	\$ 43,750	\$ 38,500
Counseling Services	151,094	100,728
Development	-	367
Financial Resource Center	33,463	77,807
	\$ 228,307	\$ 217,402

Note 6 - Pension Plan

Employees with one year of service and a minimum of 1,000 hours are eligible for participation in the Village's contribution pension plan; however, the Village suspended funding to this plan effective September 1, 2009.

There was no pension expense for the years ended December 31, 2016 and 2015.

Note 7 - Related Party Transactions

The Village is affiliated with the Children's Village Foundation (Foundation). The Foundation was created for the purpose of providing permanent support for the activities and programs of the Village. See Note 4 for financing provided by the Foundation to the Village.

The Village annually receives support from the Foundation. The Village pays certain expenses of the Foundation and is reimbursed by the Foundation for these expenses.

The following is a summary of transactions between the two entities for 2016 and 2015:

	2016	2015
Statement of Financial Position		
Due from Children's Village Foundation	\$ 565,790	\$ 516,809
Note payable to Children's Village Foundation	\$ 1,125,000	\$ 1,125,000
Statement of Activity		
Support and revenue		
Contributions for operations	\$ 249,561	\$ 862,441
Contributions (payments) for compensated absences	(6,416)	30,287
Contributions for special assessments	147,441	114,600
Total support and revenue	\$ 390,586	\$ 1,007,328

Note 8 - Subsequent Events

On January 27, 2017, the Village sold the land located in West Fargo for a sale price of \$2,250,000. As part of the sale, the Village paid off the notes from Bremer Bank for \$519,069, the \$250,000 line of credit, and \$200,000 line of credit plus accrued interest. The Village also paid related taxes and settlement charges. Once the sale was finalized, the Village received a check for \$1,078,133.

The Village has evaluated subsequent events through March 21, 2017, the date of the financial statements were available to be issued.