



Financial Statements
December 31, 2015 and 2014
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, 2015, 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, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 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
May 4, 2016

Village Family Service Center
 Statement of Financial Position
 December 31, 2015
 (With Comparative Totals as of December 31, 2014)

	General Fund	Temporarily Restricted	Trust Fund	Total	
				2015	2014
Assets					
Cash	\$ 18,361	\$ -	\$ 6,452	\$ 24,813	\$ 17,230
Receivables, net	813,201	-	-	813,201	671,305
Due from Children's Village Foundation	516,809	-	-	516,809	552,281
Prepaid expenses	98,270	-	-	98,270	113,420
Investments	25,957	-	-	25,957	-
Due from other funds	-	71,271	-	71,271	133,378
Intangible assets, net of accumulated amortization	522,577	-	-	522,577	527,577
Property and equipment, net of accumulated depreciation	2,332,747	-	-	2,332,747	2,386,017
	<u>\$ 4,327,922</u>	<u>\$ 71,271</u>	<u>\$ 6,452</u>	<u>\$ 4,405,645</u>	<u>\$ 4,401,208</u>
Liabilities and Net Assets					
Liabilities					
Checks outstanding in excess of bank balance	\$ 28,518	\$ -	\$ -	\$ 28,518	\$ -
Due to other funds	71,271	-	-	71,271	133,378
Short-term notes payable	1,122,081	-	-	1,122,081	615,682
Long-term debt	1,771,720	-	-	1,771,720	2,338,994
Accounts payable	245,987	-	-	245,987	230,904
Accrued liabilities	718,241	-	-	718,241	706,094
Deferred revenue	346,166	-	-	346,166	336,679
Funds held for FRC clients	-	-	6,452	6,452	7,012
	<u>4,303,984</u>	<u>-</u>	<u>6,452</u>	<u>4,310,436</u>	<u>4,368,743</u>
Net Assets					
Unrestricted	23,938	-	-	23,938	(100,913)
Temporarily restricted	-	71,271	-	71,271	133,378
	<u>23,938</u>	<u>71,271</u>	<u>-</u>	<u>95,209</u>	<u>32,465</u>
	<u>\$ 4,327,922</u>	<u>\$ 71,271</u>	<u>\$ 6,452</u>	<u>\$ 4,405,645</u>	<u>\$ 4,401,208</u>

Village Family Service Center

Statement of Activity

Year Ended December 31, 2015

(With Comparative Totals for Year Ended December 31, 2014)

	General Fund	Temporarily Restricted	Total	
			2015	2014
Revenue, Support and Gains				
Foundations	\$ 862,441	\$ -	\$ 862,441	\$ 754,402
Donations from businesses, individuals, and organizations	602,497	-	602,497	602,793
Federal and other grant revenue	537,068	155,295	692,363	1,254,511
Gross special events revenue	524,142	-	524,142	465,231
Less cost of direct benefits to donors	(231,547)	-	(231,547)	(118,296)
Net special events revenue	292,595	-	292,595	346,935
Total received from public	2,294,601	155,295	2,449,896	2,958,641
Allocated by United Way	739,789	-	739,789	732,115
Total public support	3,034,390	155,295	3,189,685	3,690,756
Revenue and Gains				
Counseling fees	5,310,481	-	5,310,481	4,665,745
VBI	1,852,089	-	1,852,089	1,774,576
Child care	962,370	-	962,370	1,016,859
First Step Recovery	1,129,378	-	1,129,378	878,597
Financial Resource Center	278,798	-	278,798	371,136
Net assets released from restrictions	217,402	(217,402)	-	-
Program and sublease rent	196,413	-	196,413	196,915
Adoption fees	129,840	-	129,840	194,011
Truancy Intervention	103,444	-	103,444	133,601
Magazine sales	101,985	-	101,985	129,927
Miscellaneous revenues	39,173	-	39,173	32,129
Total revenue and gains	10,321,373	(217,402)	10,103,971	9,393,496
Total revenue, support and gains	13,355,763	(62,107)	13,293,656	13,084,252
Expenses				
Program services				
Counseling Services	3,667,746	-	3,667,746	2,977,626
Family Therapy	2,088,135	-	2,088,135	2,209,929
VBI	1,754,810	-	1,754,810	1,678,627
Child Care	1,591,204	-	1,591,204	1,568,460
Financial Resource Center	573,516	-	573,516	917,482
First Step Recovery	1,209,630	-	1,209,630	1,134,235
Native American	-	-	-	325,149
Big Brother Big Sister	279,072	-	279,072	303,641
Adoption	189,082	-	189,082	179,806
Truancy Intervention	130,658	-	130,658	169,908
The Village Family Magazine	109,560	-	109,560	141,169
Alternative to Abortion	74,455	-	74,455	63,615
Total program services expenses	11,667,868	-	11,667,868	11,669,647
Supporting services				
Management and general	1,112,308	-	1,112,308	1,004,813
Fundraising	450,736	-	450,736	437,542
Total supporting services expenses	1,563,044	-	1,563,044	1,442,355
Total expenses	13,230,912	-	13,230,912	13,112,002

Village Family Service Center
 Statement of Activity
 Years Ended December 31, 2015
 (With Comparative Totals for Year Ended December 31, 2014)

	General Fund	Temporarily Restricted	Total	
			2015	2014
Change in Net Assets	\$ 124,851	\$ (62,107)	\$ 62,744	\$ (27,750)
Net Assets, Beginning of Year	(100,913)	133,378	32,465	60,215
Net Assets End of Year	\$ 23,938	\$ 71,271	\$ 95,209	\$ 32,465

Village Family Service Center
Statement of Cash Flows
Year Ended December 31, 2015

Operating Activities	
Change in net assets	\$ 62,744
Adjustments to reconcile changes in net assets to net cash used for operating activities	
Contribution of investments	(25,957)
Depreciation	126,477
Forgiveness of long-term debt recognized as a contribution	(550,000)
Changes in assets and liabilities	
Receivables	(106,424)
Prepaid expenses	15,150
Deferred revenue	9,487
Accrued liabilities	12,147
Checks outstanding in excess of bank balance	28,518
Accounts payable	15,083
	<hr/>
Net Cash Used For Operating Activities	(412,775)
	<hr/>
Investing Activities	
Purchases of property and equipment	(68,207)
Decrease in funds held for FRC clients - liabilities	(560)
	<hr/>
Net Cash Used For Investing Activities	(68,767)
	<hr/>
Financing Activities	
Payments on long-term debt	(217,274)
Proceeds from issuance of long-term debt	200,000
Net change in short-term notes payable	506,399
	<hr/>
Net Cash From Financing Activities	489,125
	<hr/>
Net Change in Cash	7,583
Cash, Beginning of Year	17,230
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Cash, End of Year	\$ 24,813
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Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	\$ 56,580
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Village Family Service Center
Statement of Functional Expenses
Year Ended December 31, 2015
(With Comparative Totals for Year Ended December 31, 2014)

	Family Therapy	Counseling Services	Financial Resource Center	Child Care	Village Business Institute	Big Brother Big Sister
Salaries	\$ 1,311,111	\$ 2,338,762	\$ 307,830	\$ 952,712	\$ 739,427	\$ 174,698
Employee benefits	241,841	354,117	53,618	147,702	121,645	41,943
Travel	102,171	83,699	3,175	4,316	38,423	2,854
Allocated program rent and utilities	81,327	240,951	33,024	56,553	78,780	6,201
Contracted services	5,542	45,332	4,164	11,422	470,579	-
Office supplies and postage	17,196	31,494	11,675	145,634	22,974	2,950
Printing and publications	11,219	16,051	24,937	1,631	56,663	9,510
Telephone	37,473	42,896	8,351	5,118	18,925	1,829
Repairs, maint. and other rentals	14,382	29,726	8,708	12,601	9,028	2,236
Staff training	15,274	22,493	3,630	4,227	9,250	599
Professional fees	28,636	29,844	21,116	2,925	2,097	105
Advertising	1,577	47,136	12,770	4,009	7,188	(89)
Insurance	16,916	27,977	7,393	11,217	9,107	2,146
Interest	12,289	5,092	914	5,641	-	-
Client assistance and special programs	1,827	615	-	-	5,277	2,819
Administrative charge	183,177	335,594	69,305	138,408	160,941	26,961
Other	217	2,783	717	55,217	1,055	2,355
	<u>2,082,175</u>	<u>3,654,562</u>	<u>571,327</u>	<u>1,559,333</u>	<u>1,751,359</u>	<u>277,117</u>
Total expenses before depreciation						
Depreciation of property and equipment	5,960	13,184	2,189	31,871	3,451	1,955
	<u>5,960</u>	<u>13,184</u>	<u>2,189</u>	<u>31,871</u>	<u>3,451</u>	<u>1,955</u>
Total expenses	<u>\$ 2,088,135</u>	<u>\$ 3,667,746</u>	<u>\$ 573,516</u>	<u>\$ 1,591,204</u>	<u>\$ 1,754,810</u>	<u>\$ 279,072</u>

Village Family Service Center
Statement of Functional Expenses
Year Ended December 31, 2015
(With Comparative Totals for Year Ended December 31, 2014)

	Adoption	Truancy Intervention	The Village Family Magazine	First Step Recovery	Alternative to Abortion	Total Program Services Expenses
Salaries	\$ 69,929	\$ 98,535	\$ 38,110	\$ 703,498	\$ 31,200	\$ 6,765,812
Employee benefits	13,346	15,820	5,344	143,128	6,396	1,144,900
Travel	8,254	1,696	149	850	-	245,587
Allocated program rent and utilities	14,781	-	3,954	120,445	-	636,016
Contracted services	35,162	-	-	8,481	-	580,682
Office supplies and postage	2,922	906	1,891	9,417	420	247,479
Printing and publications	1,633	544	58,651	11,364	-	192,203
Telephone	2,548	810	280	3,508	760	122,498
Repairs, maint. and other rentals	2,992	-	-	11,407	-	91,080
Staff training	764	25	22	3,000	-	59,284
Professional fees	3,034	-	-	33,150	3,984	124,891
Advertising	3,824	971	338	26,093	27,935	131,752
Insurance	4,096	1,673	721	8,613	-	89,859
Interest	296	-	-	5,123	-	29,355
Client assistance and special programs	444	-	-	10,500	-	21,482
Administrative charge	38,126	9,678	-	107,585	3,760	1,073,535
Other	(13,789)	-	100	(1,173)	-	47,482
	<u>188,362</u>	<u>130,658</u>	<u>109,560</u>	<u>1,204,989</u>	<u>74,455</u>	<u>11,603,897</u>
Total expenses before depreciation						
Depreciation of property and equipment	720	-	-	4,641	-	63,971
	<u>720</u>	<u>-</u>	<u>-</u>	<u>4,641</u>	<u>-</u>	<u>63,971</u>
Total expenses	<u>\$ 189,082</u>	<u>\$ 130,658</u>	<u>\$ 109,560</u>	<u>\$ 1,209,630</u>	<u>\$ 74,455</u>	<u>\$ 11,667,868</u>

Village Family Service Center
Statement of Functional Expenses
Year Ended December 31, 2015
(With Comparative Totals for Year Ended December 31, 2014)

	<u>Support Services</u>			<u>Total Expenses</u>	
	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Support</u>	<u>2015</u>	<u>2014</u>
	Salaries	\$ 1,282,130	\$ 263,900	\$ 1,546,030	\$ 8,311,842
Employee benefits	283,845	62,759	346,604	1,491,504	1,330,534
Travel	69,856	14,120	83,976	329,563	375,279
Allocated program rent and utilities	186,684	17,689	204,373	840,389	810,239
Contracted services	1,383	135	1,518	582,200	602,632
Office supplies and postage	56,684	12,926	69,610	317,089	291,330
Printing and publications	27,572	33,356	60,928	253,131	284,197
Telephone	21,363	3,671	25,034	147,532	148,725
Repairs, maint. and other rentals	33,036	8,083	41,119	132,199	160,148
Staff training	33,318	2,771	36,089	95,373	119,022
Professional fees	52,667	2,606	55,273	180,164	176,506
Advertising	26,218	21,565	47,783	179,535	190,263
Insurance	(28,179)	3,259	(24,920)	64,939	61,823
Interest	27,225	-	27,225	56,580	58,807
Client assistance and special programs	1,306	71	1,377	22,859	36,622
Administrative charge	(1,073,535)	-	(1,073,535)	-	-
Other	54,244	2,810	57,054	104,536	102,279
	<u>1,055,817</u>	<u>449,721</u>	<u>1,505,538</u>	<u>13,109,435</u>	<u>12,997,547</u>
Total expenses before depreciation					
Depreciation of property and equipment	56,491	1,015	57,506	121,477	114,455
	<u>56,491</u>	<u>1,015</u>	<u>57,506</u>	<u>121,477</u>	<u>114,455</u>
Total expenses	<u>\$ 1,112,308</u>	<u>\$ 450,736</u>	<u>\$ 1,563,044</u>	<u>\$ 13,230,912</u>	<u>\$ 13,112,002</u>

Note 1 - Organization and Summary of Significant Accounting Policies

Organization and Nature of Operations

The Village Family Service Center (Village) is organized as a nonprofit corporation under the laws of the state of North Dakota. The Village is exempt from the payment of federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986 and from the payment of state income taxes under Section 57-38-09 of the North Dakota Century Code.

The mission of the Village is 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, 2014, from which the summarized information was derived.

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, 2015 and 2014 is \$126,051 and \$85,801.

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, 2015 and 2014, the carrying value of the Village's goodwill of \$522,577 and \$527,577 was not considered impaired.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are stated at cost. It is the policy of the Village to provide depreciation using the straight-line method over the estimated useful lives of the assets, which range from 2 to 40 years.

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 activity 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.

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.

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.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$179,535 and \$190,263 for the years ended December 31, 2015 and 2014, respectively.

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.

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.

Note 2 - Property and Equipment

Property and equipment consists of the following:

	2015			2014
	Cost	Accumulated Depreciation	Net	Net
Land	\$ 377,218	\$ -	\$ 377,218	\$ 377,218
Land held for future use	915,000	-	915,000	915,000
Building and leasehold improvements	1,954,654	1,159,333	795,321	848,199
Office furniture and equipment	795,981	550,773	245,208	245,600
	\$ 4,042,853	\$ 1,710,106	\$ 2,332,747	\$ 2,386,017

Note 3 - Leases

The Village rents office space for 17 satellite sites under operating leases. The terms of 3 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 March 2018. These leases are accounted for as operating leases.

The Village leases 11 autos. These leases are accounted for as operating leases and have various ending times through September 2018.

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:

<u>Years Ending December 31,</u>	<u>Capital Lease</u>	<u>Operating Leases</u>
2016	\$ 24,974	\$ 476,001
2017	24,974	405,159
2018	2,081	302,360
2019	-	118,461
2020	-	30,315
Total minimum lease payments	52,029	<u>\$ 1,332,296</u>
Less portion representing interest	4,215	
Present value of minimum lease payments - Note 4	<u>\$ 47,814</u>	

Total rent expense for office space, equipment, and auto was \$670,394 and \$667,669 in 2015 and 2014, respectively.

Leased property under capital lease at December 31, 2015 and 2014 includes:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 103,488	\$ 103,488
Less accumulated amortization	55,674	35,375
	<u>\$ 47,814</u>	<u>\$ 68,113</u>

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% at December 31, 2015). The outstanding balance was \$672,081 and \$615,682 at December 31, 2015 and 2014, respectively and the line matures June 2016 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 .5 percentage points (4% at December 31, 2015). The outstanding balance was \$250,000 at December 31, 2015, and the line matures June 2016.

The Village has 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, 2015). The outstanding balance was \$200,000 at December 31, 2015 and the note matures March 2016.

Long-Term Notes Payable

	2015	2014
0% note payable to the Foundation, due on demand, unsecured, subordinated to bank debt	\$ 1,125,000	\$ 1,475,000
Non-interest payable to Michael Kaspari, due in annual installments of \$30,000, plus an expected annual incentive payment of \$40,000 plus 25% of the annual revenue over \$600,000 of the First Step Recovery program, to February 1, 2017	63,776	195,633
3.38 % note payable to Gate City Bank	-	6,568
3.75% note payable to Bremer Bank, due in one principal payment of \$454,253 plus interest on March 31, 2016, secured by real estate and substantially all business assets (a)	454,253	504,459
4.00% note payable to Bremer Bank, due in one principal payment of \$80,877 plus interest on March 31, 2016, secured by real estate and substantially all business assets (a)	80,877	89,221
Capital lease obligation - Note 3	47,814	68,113
	\$ 1,771,720	\$ 2,338,994

- (a) The notes payable were extended from a maturity date of December 1, 2015 to March 31, 2016, extended through May 31, 2016. The interest rates had also increased by a quarter of a percent from the original agreement.

Minimum repayments of debt obligations to maturity are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2016	\$ 1,745,875
2017	23,776
2018	<u>2,069</u>
	<u>\$ 1,771,720</u>

The bank debt agreement has restrictive covenants. The Village was in violation of some of these covenants at December 31, 2015, 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Financial Resource Center	\$ 29,681	\$ 46,022
Counseling Services	36,957	36,000
Development	4,633	5,000
Childcare	-	38,500
Family Therapy	-	<u>7,856</u>
	<u>\$ 71,271</u>	<u>\$ 133,378</u>

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 as of December 31, 2015 and 2014.

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. The Village is reimbursed by the Foundation for these expenses.

The following is a summary of transactions between the two entities for 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Statement of Financial Position		
Due from Children's Village Foundation	<u>\$ 516,809</u>	<u>\$ 552,281</u>
Note payable to Children's Village Foundation	<u>\$ 1,122,081</u>	<u>\$ -</u>
Statement of Activity		
Support and revenue		
Contributions for operations	\$ 862,441	\$ 754,402
Contributions for compensated absences	30,287	25,176
Contributions for land expenses	<u>114,600</u>	<u>101,456</u>
Total support and revenue	<u>\$ 1,007,328</u>	<u>\$ 881,034</u>

Note 8 - Subsequent Events

The Village has evaluated subsequent events through May 4, 2016, the date of the financial statements were available to be issued.