THE NEW YORK SOCIETY FOR THE PREVENTION OF CRUELTY TO CHILDREN

Financial Statements

December 31, 2014

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

Financial Statements

December 31, 2014

TABLE OF CONTENTS

ROGOFF & COMPANY PC
CERTIFIED PUBLIC ACCOUNTANTS

355 Lexington Avenue, Sixth Floor
New York, NY 10017-6603
212-557-5666 F 212-557-9330

Independent Auditors' Report

The Board of Directors
The New York Society for the
Prevention of Cruelty to Children

Report on the Financial Statements

We have audited the accompanying financial statements of The New York Society for the Prevention of Cruelty to Children (the "Society", a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of revenues, expenses and other changes in unrestricted net assets, of changes in net assets, of cash flows, and of functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management of the Society 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.

Auditors' 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. 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 New York Society for the Prevention of Cruelty to Children at December 31, 2014 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Society's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Rogoff + Company P.C.

New York, New York
June 5, 2015

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF FINANCIAL POSITION

December 31, 2014
(with comparative figures as of December 31, 2013)

	2014	2013
ASSETS		
Cash and cash equivalents	$ 1,383,887	$ 970,067
Accrued investment income	6,075	6,355
Unconditional promises to give:		
Unrestricted	3,000	218,000
Restricted	50,000	30,000
Government contracts receivable	79,677	114,537
Other receivable	31,000	12,000
Prepaid expenses	55,417	53,486
Beneficial interest in charitable trusts	2,452,394	2,425,633
Investments, at fair value	21,405,751	21,321,571
Furniture and equipment, net of accumulated depreciation of $194,627 in 2014; $210,836 in 2013	29,876	21,876
Leasehold improvements, net of accumulated amortization of $431,313 in 2014; $427,851 in 2013	5,194	8,656
Historical archives	251,706	251,706
Total assets	$ 25,753,977	$ 25,433,887
LIABILITIES and NET ASSETS		
Accounts payable and accrued expenses	$ 107,945	$ 97,873
Deferred revenue	5,350	8,100
Accrued pension benefits	1,279,156	442,651
Total liabilities	1,392,451	548,624
Net assets		
Unrestricted	20,345,484	20,723,482
Temporarily restricted	80,000	252,500
Permanently restricted	3,936,042	3,909,281
Total net assets	24,361,526	24,885,263
Total liabilities and net assets	$ 25,753,977	$ 25,433,887

The accompanying notes are an integral part of these financial statements.

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES
IN UNRESTRICTED NET ASSETS

Year Ended December 31, 2014
(with comparative figures for the year ended December 31, 2013)

	2014	2013
Operating revenue		
Investment return - operating portion	$ 987,780	$ 997,617
Charitable trust income		
Summerfield Foundation	32,854	25,254
Paine Foundation	86,835	75,149
Contributions	329,333	222,113
Government contracts	324,297	445,709
Special events	928,036	545,139
Professional education fees	247,035	200,328
Other income	3,440	1,056
Unrestricted revenue	2,939,610	2,512,365
Net assets released from restrictions	631,000	320,000
Total operating revenue	3,570,610	2,832,365
Operating expenses		
Supervised Visitation	776,588	794,283
Trauma Recovery	840,824	776,569
Training Institute	616,092	572,075
Archives	108,657	120,481
	2,342,161	2,263,408
General administration	324,038	342,392
Fund raising		
Special events	240,641	142,214
Other	367,810	370,758
Total operating expenses	3,274,650	3,118,772
Excess (deficiency) of operating revenue over operating expenses	295,960	(286,407)
Other changes		
Investment return - non-operating portion	83,952	1,196,956
Adjustment to accrued pension benefits, excluding net periodic pension cost of $78,595 in 2014; $81,217 in 2013	(757,910)	504,257
Increase (decrease) in unrestricted net assets	$ (377,998)	$ 1,414,806

The accompanying notes are an integral part of these financial statements.

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 2014
(with comparative figures for the year ended December 31, 2013)

	2014	2013
Unrestricted net assets		
Operating revenue	$ 2,939,610	$ 2,512,365
Net assets released from restrictions	631,000	320,000
Operating expenses	(3,274,650)	(3,118,772)
Other changes	(673,958)	1,701,213
Increase (decrease) in unrestricted net assets	(377,998)	1,414,806
Temporarily restricted net assets		
Contributions	458,500	542,500
Net assets released from restrictions	(631,000)	(320,000)
Increase (decrease) in temporarily restricted net assets	(172,500)	222,500
Permanently restricted net assets		
Change in value of beneficial interest in charitable trusts	26,761	144,912
Total increase (decrease) in net assets	(523,737)	1,782,218
Net assets - beginning of year	24,885,263	23,103,045
Net assets - end of year	$ 24,361,526	$ 24,885,263

The accompanying notes are an integral part of these financial statements.

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF CASH FLOWS

Year Ended December 31, 2014
(with comparative figures for the year ended December 31, 2013)

	2014	2013
Operating activities:		
Increase (decrease) in net assets	$ (523,737)	$ 1,782,218
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Adjustment to accrued pension benefits	757,910	(504,257)
Depreciation and amortization	15,333	16,296
Change in value of beneficial interest in charitable trusts	(26,761)	(144,912)
Increase in fair value of investments	(548,463)	(1,730,589)
Decrease (increase) decrease in:		
Accrued investment income	280	(2,235)
Unconditional promises to give:		
Unrestricted	215,000	8,000
Restricted	(20,000)	(215,000)
Government contracts receivable	34,860	(6,945)
Other receivable	(19,000)	5,080
Prepaid expenses	(1,931)	(8,110)
Increase (decrease) increase in:		
Accounts payable and accrued expenses	10,072	17,516
Deferred revenue	(2,750)	8,100
Accrued pension benefits	78,595	80,217
Net cash used in operating activities	(30,592)	(694,621)
Investing activities:		
Proceeds from sale of investments	7,490,217	8,823,580
Purchase of investments	(7,025,934)	(8,284,303)
Purchase of fixed assets	(19,871)	-
Net cash provided by investing activities	444,412	539,277
Net increase (decrease) in cash	413,820	(155,344)
Cash and cash equivalents, beginning of year	970,067	1,125,411
Cash and cash equivalents, end of year	$ 1,383,887	$ 970,067

The accompanying notes are an integral part of these financial statements.

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2014

	Supervised Visitation	Trauma Recovery	Training Institute	Archives	Total Programs
Salaries	$ 417,215	$ 429,380	$ 326,794	$ 56,741	$ 1,230,130
Social Security taxes	29,586	30,461	23,026	4,027	87,100
Employee benefits	59,593	58,158	46,412	7,708	171,871
Pension	28,266	27,341	21,918	3,619	81,144
Professional services	28,969	85,231	31,500	3,711	149,411
Insurance	9,718	9,400	7,532	1,244	27,894
Casework	3,068	3,811	4,654	-	11,533
Office and telephone	11,390	9,100	13,094	1,199	34,783
Publications	5,195	2,499	3,744	333	11,771
Repairs and maintenance	13,170	13,102	10,657	1,684	38,613
Rent	120,912	124,912	85,816	15,490	347,130
Other	42,809	44,300	38,437	12,487	138,033
Depreciation and amortization of property and equipment	6,697	3,129	2,508	414	12,748
	$ 776,588	$ 840,824	$ 616,092	$ 108,657	$ 2,342,161

(continued)

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF FUNCTIONAL EXPENSES – (concluded)

Year Ended December 31, 2014
(with comparative total figures for the year ended December 31, 2013)

	Total Programs	General Administration	Fund Raising	2014 Total	2013 Total
Salaries	$ 1,230,130	$ 151,676	$ 208,187	$ 1,589,993	$ 1,538,781
Social Security taxes	87,100	10,765	14,642	112,507	108,492
Employee benefits	171,871	18,118	27,503	217,492	283,182
Pension	81,144	14,889	12,908	108,941	123,617
Professional services	149,411	33,365	13,221	195,997	183,142
Insurance	27,894	3,326	4,437	35,657	34,698
Casework	11,533	-	-	11,533	5,790
Office and telephone	34,783	5,397	4,220	44,400	34,378
Publications	11,771	1,045	1,194	14,010	11,107
Repairs and maintenance	38,613	4,782	6,002	49,397	62,356
Rent	347,130	41,398	55,193	443,721	414,254
Special events	-	-	240,641	240,641	142,214
Other	138,033	38,169	18,826	195,028	160,465
Depreciation and amortization of property and equipment	12,748	1,108	1,477	15,333	16,296
	$ 2,342,161	$ 324,038	$ 608,451	$ 3,274,650	$ 3,118,772

The accompanying notes are an integral part of these financial statements.

Note 1. Nature of Operations

The New York Society for the Prevention of Cruelty to Children ("NYSPCC" or the "Society") protects children at risk of abuse and neglect by providing direct services to children and their families. As the world's first child protection agency, the Society's mission is to respond to the complex needs of abused and neglected children, and those involved in their care, by providing best practice counseling, legal and educational services. Through research, communications and training initiatives, we work to expand these programs to prevent abuse and help more children heal. The Society's programs are composed of the following:

Supervised Visitation
Provides court-ordered and foster care-agency referred therapeutic supervised visitation services to families who need the guidance of a skilled clinician due to issues of child abuse or neglect, domestic violence, substance abuse and mental illness. The NYSPCC provides supervised visitation in a safe and supportive setting enabling non-custodial parents, as well as parents whose children are in foster care due to abuse or neglect, to visit with their children. Enhanced services are also provided specifically to fathers to target the unique issues they face as they work towards restoring their relationship with their children.

Trauma Recovery
The Trauma Recovery Program focuses on the mental health care needs of the City's most vulnerable children by providing counseling to children who have endured the trauma of child abuse or neglect. They are referred by the NYC Administration for Children's Services (ACS) child protective, preventive and foster care systems and the NYSPCC's supervised visitation program. The NYSPCC, through its Child Empowerment Program also provides group counseling and sexual abuse prevention workshops to children and adolescents in the New York City public school system, along with foster care and community-based agencies. Through its Crisis Debriefing Program, the NYSPCC provides services to ACS and other child welfare agencies to help staff during times of stress, grief and loss.

Training Institute
The NYSPCC's Training Institute provides training to child-welfare professionals on its best-practice program models, such as therapeutic supervised visitation and trauma recovery. It also provides training to professionals in their legal obligation to identify and report child abuse and neglect in both live lecture and on-line formats. The Training Institute provides sexual abuse prevention to children in school-based settings for grades K through 12, and to parents in sexual abuse prevention and numerous other topics relating to child safety.

Note 1. Nature of Operations - continued

Archives
The NYSPCC holds the archives documenting the early history of the child protective movement in the United States. The NYSPCC responds to requests from individuals who are attempting to trace their family history and also assists authors, students and filmmakers with historical information for documentaries, books, articles and dissertations.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The statements of financial position and of activities focuses on the organization as a whole and report total assets, liabilities, net assets and changes in net assets in accordance with the FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations*. Accordingly, net assets of the Society and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets –Net assets subject to donor-imposed stipulations that may or will be met, either by actions or the Society and/or that passage of time. When a restriction expires, 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 subject to donor-imposed stipulations that they be maintained permanently by the Society. The earnings from permanently restricted net assets are to be used for temporarily restricted and unrestricted purposes.

Allowance for Doubtful Accounts
There is no allowance for doubtful accounts based on the assessment of the current status of individual accounts. Management believes that all outstanding balances are collectible and an allowance for doubtful accounts is not required.

Note 2. Summary of Significant Accounting Policies - continued

Restricted and Unrestricted Contributions

Contributions are recognized when the donor makes a promise to give to the Society that is, in substance, unconditional. Donor-restricted contributions are reported as increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Promises to Give

Unconditional promises to give are recognized as contributions in the period such promises are made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions are considered to be unrestricted unless specifically restricted by the donor.

Contracts

Revenue from contracts is recognized as contract costs are incurred. Contract costs incurred in advance of payment give rise to contracts receivable. Contract payments received in advance of costs incurred give rise to deferred contract revenue.

Investments

Investments in marketable equity and debt securities are stated at fair values. Investment income, and unrealized gains and losses, are reported as increases or decreases in unrestricted or temporarily restricted net assets, as appropriate.

Property and Equipment

All acquisitions of equipment and furniture in excess of $1,000 are capitalized. Equipment, furniture and leasehold improvements are stated at cost or fair value at date of gift, net of accumulated depreciation. Management reviews furniture and equipment for impairment. Furniture and equipment are written off to operations when considered impaired.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash held in checking and money market accounts, excluding amounts included in investments. From time to time, the Society maintains funds in financial institutions in excess of federally or other insured limits. Management believes the Society is not exposed to any significant credit risk on cash and cash equivalents.

Note 2. Summary of Significant Accounting Policies – continued

Income Taxes

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is not a private foundation under the code. Similar tax-exempt status applies at the state and local levels.

The Society records a liability for uncertain tax positions when it is probable that a loss has occurred and the amount can be reasonably estimated. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, new authoritative rulings and its operating characteristics to comply with its status as a nonprofit organization. Management has determined that it is more likely than not that any of NYSPCC's tax positions will be sustained upon examination and therefore has not recognized any liability for uncertain tax positions. The Society's income tax returns for the years ended December 31, 2013, 2012, and 2011 are presently subject to examination by the taxing authorities.

Use of 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.

Functional Allocation of Expenses

The expenses of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

Contributed Services

A substantial number of volunteers have donated significant amounts of time and services in the Society's program operations and in its fundraising campaigns. However, such contributed services do not meet the criteria for recognition of contributed services in accordance with generally accepted accounting principles and, accordingly, are not reflected in the accompanying financial statements.

Comparative Financial Information

The financial statements include certain 2013 comparative information that may not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2013, from which the comparative information was derived.

Note 3. Property and Equipment

Historical archives are not depreciated. Depreciation is provided using the straight-line method over the estimated useful lives of other assets. The components of property and equipment are as follows:

		Estimated Useful Lives
Furniture and equipment	$ 224,503	5
Leasehold improvements	436,507	10
	661,010	
Accumulated depreciation	(625,940)	
	$ 35,070	

Depreciation expense for the year ended December 31, 2014, was $16,296.

Note 4. Beneficial Interest in Charitable Trusts

The Society has been named as income beneficiary of two charitable trusts or portions thereof. The Society's beneficial interest in these trusts has been recorded in the statement of financial position at $2,452,394 as of December 31, 2014. Distributions from and changes in the beneficial interest in trusts are included in the statement of changes in net assets. These interests are valued as follows:

Method	Value
Based on fair value of trust assets	$ 1,850,008
Based on present value of projected income	602,386
	$ 2,452,394

Note 5. Financial Instruments

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Society maintains its cash and cash equivalents in various bank deposit accounts that may exceed federally insured limits at times. To minimize risk, the Society's cash accounts are placed in high-credit quality financial institutions, while the Society's investment portfolio is diversified with several investment managers in a variety of asset classes. The Society regularly evaluates its depository arrangements and investments, including performance thereof.

Note 6. Investments

The Society invests in corporate stocks, mutual funds, fixed income securities, partnerships, and private placement funds. Fair values for investments are determined by reference to quoted market prices and other relevant information.

The composition of investments at December 31, 2014 and 2013 was as follows:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Cash and money market funds	$ 490,934	$ 490,934	$ 1,973,443	$ 1,973,443
Equities	9,012,948	10,731,777	8,079,911	10,197,576
Fixed income	4,472,667	4,309,657	4,952,910	4,978,876
Partnerships and private placement funds	4,698,358	5,873,383	3,236,531	4,171,676
	$ 18,674,907	$ 21,405,751	$ 18,242,795	$ 21,321,571

Financial Accounting Standards Board Statement ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The levels of the fair value hierarchy applicable to the Society's investments are described below:

Level 1
Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

Note 6. Investments – continued

Level 2
Inputs to the valuation methodology are net asset values (NAV) of investments in partnerships and private placement funds that compute NAV in accordance with U.S. generally accepted accounting principles for investment companies.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology reflect the Society's own assumptions about the factors that market participants would use in pricing an asset, based on the best information available in the circumstances

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of December 31, 2014:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market funds	$ 490,934	$ 490,934	$ -	$ -
Equities	10,731,777	10,731,777	-	-
Fixed income	4,309,657	4,309,657	-	-
Partnerships and private placement funds	5,873,383	-	5,873,383	-
	$ 21,405,751	$ 15,532,368	$ 5,873,383	$ -

Note 7. Portfolio Return

The Society utilizes only a portion of its total investment return for support of current operations. The remainder is retained to support operations of future years and to offset potential market declines. A 5.05% and 5.15% spending rate (based on average market value on September 30 of previous three years) in 2014 and in 2013, respectively, was authorized for the benefit of current operations.

The following schedule summarizes the investment return and its classification in the statement of revenue, expenses and other changes in unrestricted net assets.

	2014	2013
Dividends and interest	$ 666,960	$ 596,146
Unrealized gain	548,463	1,730,589
Investment custodian and advisory fees	(143,691)	(132,162)
Net investment return	$ 1,071,732	$ 2,194,573
Investment return - operating portion	$ 987,780	$ 997,617
Investment return - non-operating portion	83,952	1,196,956
Total investment return	$ 1,071,732	$ 2,194,573

Note 8. Pension Plans

Defined-benefit Plan

The Society has a noncontributory defined benefit pension plan covering its eligible employees. The plan provides for monthly benefits upon retirement based on compensation and length of service prior to retirement, including certain early retirement benefits. The plan is frozen to new participants; however the Society must continue to fund benefits already earned.

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

Amounts and calculations disclosed herein are based on the Society's understanding of generally accepted accounting principles applicable to employer financial reporting requirements. Determinations for purposes other than those requirements may be significantly different from the results reported herein. Accordingly, additional determinations are needed for other purposes, including judging benefit security at termination; or judging the adequacy of funding for an ongoing plan.

As of December 31, 2014 the Society has met all funding obligations as determined under the Employee Retirement Income Security Act of 1974 (ERISA).

The following sets forth further information about the plan as of and for the years ended December 31, 2014 and 2013:

	2014	2013
Projected benefit obligation	$ 6,233,490	$ 5,469,450
Plan assets at fair value	4,954,334	5,026,799
Funded status (deficiency)	$ (1,279,156)	$ (442,651)
Accumulated benefit obligation	$ 5,872,467	$ 5,152,330
Accrued pension benefits	$ (1,279,156)	$ (442,651)
Employer contributions	$ -	$ 1,000
Benefits paid	$ 316,850	$ 283,014
Net periodic pension cost	$ 78,595	$ 81,217
Net effect of items not yet reflected in net periodic pension cost	$ 1,631,988	$ 874,078

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

The projected benefit obligation is the present value of projected benefits based on service accrued to date. The projected benefit obligation is measured using assumptions as to future compensation levels, if the pension benefit formula is based on those future compensation levels (pay-related, final-pay, final-average-pay, or career-average-pay plans).

The *Accumulated Benefit Obligation* is the actuarial present value of benefits attributed to employee service rendered before a specified date and based on employee service and compensation before that date. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels. For plans with flat-benefit or non-pay-related pension benefit formulas, the accumulated benefit obligation and the projected benefit obligation are the same.

The *Funded Status* is the difference between the Projected Benefit Obligation and the Plan's assets.

The following table provides weighted-average assumptions used for determining net periodic pension cost:

	2014	2013
Discount rate	4.75%	4.10%
Expected long term rate of return on plan assets	6.75%	7.25%
Rate of compensation increase	3.00%	Varied

The following table provides weighted-average assumptions used for determining pension benefit obligations:

	2014	2013
Discount rate	3.90%	4.75%
Expected long term rate of return on plan assets	6.25%	7.25%
Rate of compensation increase	3.00%	3.00%

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

The following benefit payments are expected to be paid over the next 10 fiscal years ending:

2015	$ 290,000
2016	280,000
2017	280,000
2018	270,000
2019	320,000
2020 - 2024	1,590,000
Total	$ 3,030,000

These amounts are based on current data and assumptions and reflect expected future service, as appropriate. Benefit payments reflect current assumptions throughout the 10 year period.

The Plan invests in Principal pooled separate accounts (PSAs). PSAs are made up of variety of underlying investments such as equities, preferred stocks, bonds, real estate and mutual funds. The net asset value (NAV) of a PSA is based on the market value of its underlying investments.

The fair value plan assets by category are:

	2014		2013	
Equity	$ 2,998,188	61%	$ 2,635,712	52%
Fixed income	1,956,145	39%	2,391,088	48%
	$ 4,954,333	100%	$ 5,026,800	100%

The Society's overall investment strategy is to achieve a long term asset mix of approximately 50% fixed income and 50% equities.

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

Pooled separate accounts are stated at fair value as determined by observable Level 1 quoted pricing inputs or by quoted prices for similar assets in active or non-active markets. While some pooled separate accounts may have publicly quoted pricing inputs (Level 1), the account values of separate accounts are not publicly quoted and are therefore classified as Level 2 investments within the framework for measuring fair value (see Note 6).

As of December 31, 2014, the fair value of assets of $4,954,334 is exceeded by the projected benefit obligation of $6,233,490 of the plan and, therefore, the difference of $1,279,156, which represents the unfunded projected benefit obligation, is recognized as a liability in the statement of financial position.

The following is a reconciliation of items not yet reflected in net periodic benefit cost:

	January 1, 2014	Amortization of net gain (loss)	Net (gain) loss	December 31, 2014
Net (gain) or loss	$ 874,078	$ (26,902)	$ 784,812	$ 1,631,988

The net periodic benefit cost for 2014 is $78,595.

The expected long-term rate of return on plan assets assumption of 6.75% was developed as a weighted average rate based on the target asset allocation of the plan and the long-term capital market assumptions. The overall return for each asset class was developed by combining a long-term inflation component and the associated expected real rates. The development of the capital market assumptions utilized a variety of methodologies, including, but not limited to, historical analysis, stock valuation models such as dividend discount models and earnings yields' models, expected economic growth outlook, and market yields analysis.

Defined Contribution Plan

The Society matches one-half of voluntary employee contributions of up to 6% of salary to a tax deferred annuity plan. The Society's matching contributions amounted to $20,710 and $23,060 in 2014 and 2013, respectively.

Other Payments

The Society makes supplemental payments to certain retirees based on contractual or gratuitous arrangements. The amount of such payments was $3,198 in 2014 and in 2013.

Note 9. Commitments

Office Lease

The Society rents office space in New York City under a lease that expires June 30, 2021. The Society also pays for escalation of certain operating expenses and real estate taxes. Scheduled minimum rental payments are as follows:

2015	$ 359,840
2016	382,330
2017	404,820
2018	404,820
2019	404,820
2020-2021	607,230
Total	$ 2,563,860

Total rental expense consisted of the following:

	2014	2013
Base rent	$ 359,840	$ 359,840
Real estate taxes and operating expenses	83,882	54,413
	$ 443,722	$ 414,253

The Society has executed a bank letter of credit in the amount of $100,000 in favor of the landlord as a security deposit.

Partnership Investments

The Society has invested in partnerships to which the Society is committed to make additional capital contributions of up to $1,206,816.

Note 10. Temporarily Restricted Net Assets

During the year ended December 31, 2014, temporarily restricted net assets were expended and released from restrictions for the following purposes:

Supervised Visitation	$	320,000
Trauma Recovery		160,000
Training Institute		135,000
Equipment and software development		16,000
	$	631,000

At December 31, 2014, temporarily restricted net assets were on hand for the following purposes:

Supervised Visitation	$	50,000
Trauma Recovery		30,000
	$	80,000

Note 11. Subsequent Events

Subsequent events were evaluated by management through June 5, 2015, which is the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.