THE NEW YORK SOCIETY FOR THE PREVENTION OF CRUELTY TO CHILDREN

Financial Statements

December 31, 2015

THE NEW YORK SOCIETY FOR THE PREVENTION OF CRUELTY TO CHILDREN

Financial Statements

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ROGOFF & COMPANY PC
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

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

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, 2015, 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, 2015 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 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.

Rogoff & Company, P.C.

New York, New York
June 7, 2016

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF FINANCIAL POSITION

December 31, 2015
(with comparative figures as of December 31, 2014)

	2015	2014
ASSETS		
Cash and cash equivalents	$ 1,316,008	$ 1,383,887
Accrued investment income	5,547	6,075
Unconditional promises to give:		
Unrestricted	1,000	3,000
Restricted	55,000	50,000
Government contracts receivable	41,067	79,677
Other receivable	61,106	31,000
Prepaid expenses	54,542	55,417
Beneficial interest in charitable trusts	2,252,116	2,452,394
Investments, at fair value	19,351,877	21,405,751
Furniture and equipment, net of accumulated depreciation of $173,333 in 2015; $194,627 in 2014	37,881	29,876
Leasehold improvements, net of accumulated amortization of $434,775 in 2015; $431,313 in 2014	1,732	5,194
Historical archives	251,706	251,706
Total assets	$ 23,429,582	$ 25,753,977
LIABILITIES and NET ASSETS		
Accounts payable and accrued expenses	$ 118,787	$ 107,945
Deferred revenue	1,800	5,350
Accrued pension benefits	1,521,065	1,279,156
Total liabilities	1,641,652	1,392,451
Net assets		
Unrestricted	17,997,166	20,345,484
Temporarily restricted	55,000	80,000
Permanently restricted	3,735,764	3,936,042
Total net assets	21,787,930	24,361,526
Total liabilities and net assets	$ 23,429,582	$ 25,753,977

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, 2015
(with comparative figures for the year ended December 31, 2014)

	2015	2014
Operating revenue		
Investment return - operating portion	$ 1,030,872	$ 987,780
Charitable trust income		
Summerfield Foundation	23,273	32,854
Paine Foundation	82,998	86,835
Contributions	319,861	329,333
Government contracts	132,358	324,297
Special events	975,064	928,036
Professional education fees	223,623	247,035
Other income	1,404	3,440
Unrestricted revenue	2,789,453	2,939,610
Net assets released from restrictions	300,000	631,000
Total operating revenue	3,089,453	3,570,610
Operating expenses		
Supervised Visitation	682,719	776,588
Trauma Recovery	693,443	840,824
Training Institute	574,478	616,092
Research and Evaluation	345,266	-
Archives	107,062	108,657
	2,402,968	2,342,161
General administration	353,883	324,038
Fund raising		
Special events	284,391	240,641
Other	401,394	367,810
Total operating expenses	3,442,636	3,274,650
Excess (deficiency) of operating revenue over operating expenses	(353,183)	295,960
Other changes		
Investment return - non-operating portion	(1,966,156)	83,952
Adjustment to accrued pension benefits, excluding net periodic pension cost of $213,930 in 2015; $78,595 in 2014	(28,979)	(757,910)
Decrease in unrestricted net assets	$ (2,348,318)	$ (377,998)

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, 2015
(with comparative figures for the year ended December 31, 2014)

	2015	2014
Unrestricted net assets		
Operating revenue	$ 2,789,453	$ 2,939,610
Net assets released from restrictions	300,000	631,000
Operating expenses	(3,442,636)	(3,274,650)
Other changes	(1,995,135)	(673,958)
Decrease in unrestricted net assets	(2,348,318)	(377,998)
Temporarily restricted net assets		
Contributions	275,000	458,500
Net assets released from restrictions	(300,000)	(631,000)
Decrease in temporarily restricted net assets	(25,000)	(172,500)
Permanently restricted net assets		
Change in value of beneficial interest in charitable trusts	(200,278)	26,761
Total decrease in net assets	(2,573,596)	(523,737)
Net assets - beginning of year	24,361,526	24,885,263
Net assets - end of year	$ 21,787,930	$ 24,361,526

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, 2015
(with comparative figures for the year ended December 31, 2014)

	2015	2014
Operating activities:		
Decrease in net assets	$ (2,573,596)	$ (523,737)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Adjustment to accrued pension benefits	28,979	757,910
Depreciation and amortization	16,535	15,333
Change in value of beneficial interest in charitable trusts	200,278	(26,761)
Increase (decrease) in fair value of investments	1,298,054	(548,463)
Decrease (increase) decrease in:		
Accrued investment income	528	280
Unconditional promises to give:		
Unrestricted	2,000	215,000
Restricted	(5,000)	(20,000)
Government contracts receivable	38,610	34,860
Other receivable	(30,106)	(19,000)
Prepaid expenses	875	(1,931)
Increase (decrease) increase in:		
Accounts payable and accrued expenses	10,842	10,072
Deferred revenue	(3,550)	(2,750)
Accrued pension benefits	212,930	78,595
Net cash used in operating activities	(802,621)	(30,592)
Investing activities:		
Proceeds from sale of investments	10,975,732	7,490,217
Purchase of investments	(10,219,912)	(7,025,934)
Purchase of fixed assets	(21,078)	(19,871)
Net cash provided by investing activities	734,742	444,412
Net increase (decrease) in cash	(67,879)	413,820
Cash and cash equivalents, beginning of year	1,383,887	970,067
Cash and cash equivalents, end of year	$ 1,316,008	$ 1,383,887

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

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2015

	Supervised Visitation	Trauma Recovery	Training Institute	Research and Evaluation	Archives	Total Programs
Salaries	$ 354,063	$ 375,776	$ 289,018	$ 189,156	$ 58,458	$ 1,266,471
Social Security taxes	26,161	25,463	20,400	13,393	4,141	89,558
Employee benefits	46,562	47,154	41,425	22,722	7,191	165,054
Pension	59,425	55,445	53,198	28,823	9,067	205,958
Professional services	23,557	23,560	20,612	11,611	3,449	82,789
Insurance	7,649	7,214	6,883	3,726	1,173	26,645
Casework	4,589	8,302	-	1,896	-	14,787
Office and telephone	8,725	6,489	7,116	3,197	1,000	26,527
Publications	3,773	3,575	5,826	1,837	574	15,585
Repairs and maintenance	12,330	12,549	10,071	5,862	1,766	42,578
Rent	102,921	97,938	90,604	50,187	15,724	357,374
Other	26,560	27,204	26,678	11,423	4,068	95,933
Depreciation and amortization of property and equipment	6,404	2,774	2,647	1,433	451	13,709
	$ 682,719	$ 693,443	$ 574,478	$ 345,266	$ 107,062	$ 2,402,968

(continued)

THE NEW YORK SOCIETY FOR THE
PREVENTION OF CRUELTY TO CHILDREN

STATEMENT OF FUNCTIONAL EXPENSES – (concluded)

Year Ended December 31, 2015
(with comparative total figures for the year ended December 31, 2014)

	Total Programs	General Administration	Fund Raising	2015 Total	2014 Total
Salaries	$ 1,266,471	$ 161,268	$ 204,797	$ 1,632,536	$ 1,589,993
Social Security taxes	89,558	11,395	14,575	115,528	112,507
Employee benefits	165,054	17,879	25,589	208,522	217,492
Pension	205,958	27,533	32,797	266,288	108,941
Professional services	82,789	36,071	13,141	132,001	195,997
Insurance	26,645	3,129	4,218	33,992	35,657
Casework	14,787	-	-	14,787	11,533
Office and telephone	26,527	6,382	3,698	36,607	44,400
Publications	15,585	2,269	2,137	19,991	14,010
Repairs and maintenance	42,578	4,791	6,435	53,804	49,397
Rent	357,374	42,207	57,353	456,934	443,721
Special events	-	-	284,391	284,391	240,641
Other	95,933	39,755	35,032	170,720	195,028
Depreciation and amortization of property and equipment	13,709	1,204	1,622	16,535	15,333
	$ 2,402,968	$ 353,883	$ 685,785	$ 3,442,636	$ 3,274,650

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, the Society works to expand these programs to prevent abuse and help more children heal. The Society's programs are composed of the following:

Supervised Visitation

The Supervised Visitation Program 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, trauma recovery and managing secondary traumatic stress. 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 and community settings for grades K through 12, and to parents in sexual abuse prevention and numerous other topics relating to child safety. The Training Institute provides New York State Education Department-approved Continuing Education for Social Workers.

Note 1. Nature of Operations – continued

Research and Evaluation
The Research & Evaluation Department is dedicated to building the evidence base for effective approaches to preventing and treating child abuse and neglect. Research is focused on the integration and examination of evidence-based treatment methods into real-world settings, including within schools, community, and government agencies. The NYSPCC also conducts ongoing evaluations of all programs to ensure consistency, program quality, and client satisfaction. Program-specific evaluation plans are designed using a multi-dimensional, mixed-methods approach. Evaluation data are examined at regular intervals to allow for continuous monitoring of services and client progress. Findings are used to inform best practice for our programs within the agency, as well as across the broader child welfare field.

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.

Note 2. Summary of Significant Accounting Policies - continued

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.

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, 2014, 2013, and 2012 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 2014 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, 2014, 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	$ 211,214	5
Leasehold improvements	436,507	10
	647,721	
Accumulated depreciation	(608,108)	
	$ 39,613	

Depreciation expense for the year ended December 31, 2015, was $16,535.

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 $2,252,116 as of December 31, 2015. 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	$ 1,719,039
Based on present value of projected income	533,077
	$ 2,252,116

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, 2015 and 2014 was as follows:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Cash and money market funds	$ 2,815,408	$ 2,815,408	$ 490,934	$ 490,934
Equities				
Corporate stocks	4,281,458	4,813,538	4,161,553	5,018,923
Mutual funds	2,548,539	2,869,773	4,851,395	5,712,854
Fixed income				
Mutual funds	4,206,545	3,862,483	4,472,667	4,309,657
Partnerships and private placement funds	4,655,581	4,990,675	4,698,358	5,873,383
	$ 18,507,531	$ 19,351,877	$ 18,674,907	$ 21,405,751

Note 6. Investments – continued

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.

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.

Note 6. Investments – continued

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of December 31, 2015:

	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	$ 2,815,408	$ 2,815,408	$ -	$ -
Equities				
Corporate stocks	4,813,538	4,813,538	-	-
Mutual funds	2,869,773	2,869,773	-	-
Fixed income				
Mutual funds	3,862,483	3,862,483	-	-
Partnerships and private placement funds	4,990,675	-	4,990,675	-
	$ 19,351,877	$ 14,361,202	$ 4,990,675	$ -

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% and 5.05% spending rate (based on average market value on September 30 of previous three years) in 2015 and in 2014, respectively, was authorized for the benefit of current operations.

Note 7. Portfolio Return – continued

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

	2015	2014
Dividends and interest	$ 497,715	$ 666,960
Unrealized gain (loss)	(1,298,054)	548,463
Investment custodian and advisory fees	(134,945)	(143,691)
Net investment return	$ (935,284)	$ 1,071,732
Investment return - operating portion	$ 1,030,872	$ 987,780
Investment return - non-operating portion	(1,966,156)	83,952
Total investment return	$ (935,284)	$ 1,071,732

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.

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.

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

As of December 31, 2015 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, 2015 and 2014:

	2015	2014
Projected benefit obligation	$ 6,173,496	$ 6,233,490
Plan assets at fair value	4,652,431	4,954,334
Funded status (deficiency)	$ (1,521,065)	$ (1,279,156)
Accumulated benefit obligation	$ 6,043,095	$ 5,872,467
Accrued pension benefits	$ (1,521,065)	$ (1,279,156)
Employer contributions	$ 1,000	$ -
Benefits paid	$ 289,207	$ 316,850
Net periodic pension cost	$ 213,930	$ 78,595
Net effect of items not yet reflected in net periodic pension cost	$ 1,660,967	$ 1,631,988

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.

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

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:

	2015	2014
Discount rate	3.90%	4.75%
Expected long term rate of return on plan assets	6.25%	6.75%
Rate of compensation increase	3.00%	3.00%

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

	2015	2014
Discount rate	4.45%	3.90%
Rate of compensation increase	3.00%	3.00%

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

2016	$ 320,000
2017	300,000
2018	290,000
2019	330,000
2020	320,000
2021 - 2025	1,670,000
Total	$ 3,230,000

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.

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

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:

	2015		2014	
Equity	$ 2,560,611	55%	$ 2,998,188	61%
Fixed income	2,091,820	45%	1,956,145	39%
	$ 4,652,431	100%	$ 4,954,333	100%

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

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, 2015, the fair value of assets of $4,652,431 is exceeded by the projected benefit obligation of $6,173,496 of the plan and, therefore, the difference of $1,521,065, 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, 2015	Amortization of net gain (loss)	Net (gain) loss	December 31, 2015
Net (gain) or loss	$ 1,631,988	$ (94,708)	$ 123,687	$ 1,660,967

The net periodic benefit cost for 2015 is $213,930.

Note 8. Pension Plans – continued

Defined-benefit Plan – continued

The expected long-term rate of return on plan assets assumption of 6.25% 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 $26,728 and $20,710 in 2015 and 2014, 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 2015 and in 2014.

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:

2016	$ 382,330
2017	404,820
2018	404,820
2019	404,820
2020	404,820
2021	202,410
Total	$ 2,204,020

Note 9. Commitments – continued

Office Lease – continued

Total rental expense consisted of the following:

	2015	2014
Base rent	$ 359,840	$ 359,840
Real estate taxes and operating expenses	97,094	83,882
	$ 456,934	$ 443,722

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 $1,108,245.

Note 10. Temporarily Restricted Net Assets

During the year ended December 31, 2015, temporarily restricted net assets were expended and released from restrictions for the following purposes:

Supervised Visitation	$ 180,000
Trauma Recovery	85,000
Training Institute	25,000
Furnishings	10,000
	$ 300,000

At December 31, 2015, temporarily restricted net assets were on hand for the following purpose:

Trauma Recovery	$ 55,000

Note 11. Subsequent Events

Subsequent events were evaluated by management through June 7, 2016, 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.