

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.

d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEAR ENDED SEPTEMBER 30, 2019

Smith  Sullivan
& Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

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HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.

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REPORT ON FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2019



Mission Statement

Established in 1979, Helping Hands: Monkey Helpers for the Disabled, Inc. is a national non-profit 501(c)3 organization that raises and trains capuchin monkeys to provide daily assistance to people living with spinal cord injury or other mobility impairments. Helping Hands supports each service monkey and his or her human partner during their many years together through interactive mentoring of the placement, and close supervision of the monkey's behavioral, nutritional and veterinary needs. Relying on private contributions, Helping Hands provides these specially trained service animals and their lifetime support free of charge to our recipients.

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d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2019

C O N T E N T S

	<i>Pages</i>
Independent Auditors' Report.....	1 - 2
Management Discussion of Strategic Goals.....	3
Statement of Financial Position as of September 30, 2019	4
Statement of Activities for the Year Ended September 30, 2019.....	5
Statement of Functional Expenses for the Year Ended September 30, 2019.....	6
Statement of Cash Flows for the Year Ended September 30, 2019.....	7
Notes to Financial Statements.....	8 - 20

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Helping Hands: Simian Aides For The Disabled, Inc.
d/b/a Helping Hands: Monkey Helpers For The Disabled
Boston, Massachusetts

We have audited the accompanying financial statements of Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled (a New York nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses and cash flows 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.

Auditors' 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 of 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 Organization'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 Organization'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 Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled as of September 30, 2019 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.

To the Board of Directors
Helping Hands: Simian Aides For The Disabled, Inc.
d/b/a Helping Hands: Monkey Helpers For The Disabled

Other Matter

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The nonaccounting information shown on page three, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. The nonaccounting information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Smith, Sullivan & Brown, PC.

Westborough, Massachusetts
January 16, 2020

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

MANAGEMENT DISCUSSION OF STRATEGIC GOALS

SEPTEMBER 30, 2019

2019 marked a seminal year for Helping Hands: Monkey Helpers as we celebrated our 40th Anniversary. Throughout the year, we reflected on our history, the lives we have been honored to be a part of over the past 40 years, and celebrated all that has been accomplished to date. Close supporters and friends joined us in May to celebrate at our annual fundraising event, Festivale! which featured a video highlighting the history and work of Helping Hands that all of our supporters make possible.

The audit for Fiscal Year 2019 represents the first full year audit for our new fiscal year, October 1 through September 30. The decision to change fiscal years was made because Helping Hands: Monkey Helpers has historically received approximately 40% of our revenue in the final quarter of the calendar year and this facilitates a strong start to our fiscal year and allows us more time for any needed corrections based on fundraising realities. Since this is the first full year of our new fiscal year, there are no comparative statements, however, comparative statements will resume next year. We welcomed a new Director of Development, Joshua Claudio, in May 2019 after an extensive search process and rounded out our senior management team, which is now fully staffed. We anticipate a steadier funding process now that both our Executive Director and Director of Development positions are staffed after two years of transition. We look forward to focusing on strengthening and growing our fundraising program with the addition of this critical staff member.

We continued to make significant progress on our building renovation project throughout Fiscal Year 2019. The Building Committee continued work with an architectural firm to complete a set of design drawings and engaged a construction management company to work on a pricing estimate of the design. Our goal with this renovation is to create a facility that is better suited for the increasing number of retired service monkeys that we need to house for the remainder of their lives, as well as to upgrade building systems that have reached the end of serviceable life. The Board of Directors will review the renovation plans in early 2020 and vote on how to proceed at that time. In addition to working on a new building design, we simultaneously engaged a law firm to help us navigate the permitting process for a building renovation in Boston. We spent time presenting our plans to neighborhood groups in order to garner support for the project and create a favorable presentation for the city. We are pleased to share that we have received wonderful and unwavering support from our neighbors and are encouraged that permitting will move forward without any significant difficulty.

In Fiscal Year 2019, we received our first donations for the building renovation campaign, which you will see reflected in the attached financial statements. All pre-work associated with the building renovation has been funded through these generous early gifts. We continue to work to identify and seek out additional sources of funding for the building renovation while maintaining our existing yearly operational funding.

Much has changed for Helping Hands: Monkey Helpers in the 40 years since we first began. However, we continue to be the only organization that trains and places capuchin monkeys as service animals with people living with mobility impairments. Thank you for making our work possible and for providing increased independence, hope, and joy for the people that welcome a Helping Hands monkey into their lives. While your gift directly benefits our service monkeys and recipients, it also has a ripple effect that benefits the lives of a recipient's family and friends. Thank you for choosing to make a difference in the lives of so many people by supporting Helping Hands: Monkey Helpers.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019

ASSETS

CURRENT ASSETS:

Cash	\$ 77,593
Pledges and Contributions Receivable	139,540
Prepaid Expenses	22,807
Total Current Assets	<u>239,940</u>

NET PROPERTY AND EQUIPMENT

1,812,411

NON-CURRENT ASSETS:

Capital Campaign Proceeds	112,927
Capital Campaign Pledges Receivable	300,000
Pledges and Contributions Receivable, Non-Current	100,000
Pre-Development Costs	118,645
Long-Term Investments	672,659
Evans Endowment Investments	215,795
Beneficial Interest in Perpetual Trust	325,642
Total Non-Current Assets	<u>1,845,668</u>

TOTAL ASSETS

\$ 3,898,019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Notes Payable, Current	\$ 116,666
Line-Of-Credit	40,000
Accounts Payable and Accrued Expenses	51,162
Accrued Payroll and Related Costs	46,675
Total Current Liabilities	<u>254,503</u>

LONG-TERM NOTE PAYABLE, NET OF CURRENT PORTION

303,185

TOTAL LIABILITIES

557,688

NET ASSETS:

Net Assets Without Donor Restrictions	2,151,148
Net Assets With Donor Restrictions	1,189,183
Total Net Assets	<u>3,340,331</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 3,898,019

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u> <u>ACTIVITIES</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>			
<i>Public Support and Other Revenues:</i>			
Gifts, Grants and Contributions	\$ 565,098	\$ 850,000	\$ 1,415,098
Donated Goods and Services	76,201	-	76,201
Proceeds from Fund Raising Event	144,191	-	144,191
Less: Cost of Direct Benefits to Donors	(68,683)	-	(68,683)
<i>Other Revenues:</i>			
Investment Return	77,558	9,020	86,578
Change in Value of Beneficial Interest in Perpetual Trust	-	(11,760)	(11,760)
Interest Income	1,595	-	1,595
Other Income	3,173	-	3,173
<i>Reclassification of Net Assets:</i>			
Net Assets Released from Restrictions	345,533	(345,533)	-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>1,144,666</u>	<u>501,727</u>	<u>1,646,393</u>
<u>EXPENSES:</u>			
Program Services	1,125,085	-	1,125,085
Administrative	134,979	-	134,979
Fund Raising	108,566	-	108,566
<u>TOTAL EXPENSES</u>	<u>1,368,630</u>	<u>-</u>	<u>1,368,630</u>
<u>CHANGE IN NET ASSETS</u>	<u>(223,964)</u>	<u>501,727</u>	<u>277,763</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>2,375,112</u>	<u>687,456</u>	<u>3,062,568</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 2,151,148</u>	<u>\$ 1,189,183</u>	<u>\$ 3,340,331</u>

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>DIRECT</u> <u>EVENT</u> <u>COSTS</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
<u>PERSONNEL AND RELATED COSTS:</u>					
Salaries and Wages	\$ 537,124	\$ 54,516	\$ 60,640	\$ -	\$ 652,280
Payroll Taxes	46,973	4,365	5,693	-	57,031
Employee Benefits	68,487	6,886	10,514	-	85,887
<u>OCCUPANCY:</u>					
Mortgage Interest Expense	25,262	537	1,075	-	26,874
Maintenance and Repairs	33,726	1,362	1,536	-	36,624
Utilities	65,685	1,396	2,698	-	69,779
Insurance	14,490	3,966	269	-	18,725
Depreciation Expense	123,910	2,636	5,273	-	131,819
<u>OTHER EXPENSES:</u>					
Supplies and Materials	25,548	1,783	469	-	27,800
Veterinary Services	34,956	-	-	-	34,956
Consultants and Professional Fees	75,890	40,054	4,030	-	119,974
Printing	10,704	559	8,395	-	19,658
Postage	7,226	1,492	3,500	-	12,218
IT Services and Website	14,943	2,147	358	-	17,448
Telephone	6,078	689	204	-	6,971
Dues, Subscriptions and Fees	2,243	10,154	3,405	-	15,802
Travel and Meetings	6,594	891	300	-	7,785
Fundraising Event Expenses	-	-	-	68,683	68,683
Film Production Expense	25,000	-	-	-	25,000
Interest Expense	-	830	-	-	830
Miscellaneous Expenses	246	716	207	-	1,169
Total Functional Expenses	1,125,085	134,979	108,566	68,683	1,437,313
Direct Cost of Benefits to Donors	-	-	-	(68,683)	(68,683)
Expenses Per Statement of Activites	<u>\$ 1,125,085</u>	<u>\$ 134,979</u>	<u>\$ 108,566</u>	<u>\$ -</u>	<u>\$ 1,368,630</u>

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	<u>\$ 277,763</u>
<i>Adjustments to Reconcile the Above to Net Cash Used by Operating Activities:</i>	
Contributions Restricted for Capital Campaign	(505,000)
Depreciation Expense	131,819
Donated Stock	(40,336)
Investment Return	(86,578)
Change in Value of Beneficial Interest in Perpetual Trust	11,760
<i>(Increase) Decrease in Current Assets:</i>	
Accounts Receivable	(4,310)
Pledges and Contributions Receivable	(50,000)
Prepaid Expenses	(1,285)
<i>Increase (Decrease) in Current Liabilities:</i>	
Accounts Payable and Accrued Expenses	37,618
Accrued Payroll and Related Costs	5,174
<i>(Increase) Decrease in Non-Current Assets:</i>	
Pledges and Contributions Receivable	<u>(70,000)</u>
Net Adjustment	<u>(571,138)</u>
<u>NET CASH USED BY OPERATING ACTIVITIES</u>	<u>(293,375)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash Outlay for Pre-Development Costs	(118,645)
Proceeds from Securities Sold/Transfer to Operations	<u>375,805</u>
Net Cash Flows from Investing Activities	<u>257,160</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal Reduction on Notes Payable	(111,241)
Net Borrowings on Line-Of-Credit	40,000
Cash Collected for Capital Campaign	<u>205,000</u>
Net Cash Flows from Financing Activities	<u>133,759</u>

NET INCREASE IN CASH BALANCES

97,544

CASH BALANCES - BEGINNING OF YEAR

92,976

CASH BALANCES - END OF YEAR

\$ 190,520

Cash Balances :

Cash	\$ 77,593
Capital Campaign Proceeds	<u>112,927</u>
Total Cash Balances	<u>\$ 190,520</u>

Supplemental Disclosures :

Interest Paid	<u>\$ 27,704</u>
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HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

NOTE 1 ORGANIZATION

Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled (“Helping Hands” or the “Organization”) was founded in 1979 and later incorporated in March 1983 under the provisions of Section 402 of the Not-for-Profit Corporation Law of the State of New York and qualifies as a tax-exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code (“IRC”). Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

NOTE 2 PROGRAM SERVICES

Helping Hands: Monkey Helpers for the Disabled, Inc. is a nonprofit human services organization that helps adults with spinal cord injuries and other mobility impairments throughout the United States live more independent and engaged lives. We do this by providing them, free of charge, with a unique service animal: a highly trained service monkey to help with their daily tasks. We are able to provide these service animals thanks to our generous donors whose donations we rely on throughout the year to ensure we can operate and support our recipients without interruption.

These animals bring more than just a willing set of nimble hands to their recipients. They also bring companionship, joy, and the renewed sense of purpose that comes from taking responsibility for the health and well-being of another creature. Our work encompasses all aspects of this service:

- We raise, train and match the monkeys with carefully chosen recipients
- We provide extensive coaching and customized in-home training at the start of each placement
- We oversee each monkey’s lifelong behavioral, nutritional and medical needs
- We provide ongoing active support and mentoring for every partnership
- We care for retired monkeys throughout their natural lifespan at our facility or place them in suitable foster homes when possible

Training and Education Program:

Located in the Thomas and Agnes Carvel Foundation Center in Boston, The Monkey College pairs highly skilled, full-time trainers with monkeys to develop them into competent, reliable service animals. Every monkey is individually trained to perform daily tasks for their recipients within the home environment. Praise, affection, and small food rewards reinforce new skills. Training is customized to each monkey’s personality and abilities. At each level, the tasks become more complex, and the training environment becomes increasingly home-like to prepare these service animals for life in their recipient’s home. In this area of the program, Helping Hands training staff works with a rotating population of approximately 45 - 50 monkeys. In addition, this program also includes outreach to the general public, our applicants, and their families to inform them of our program services.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 2 *(Continued)*

Placement Program:

The Placement Program is a comprehensive program that includes two categories: New Placement and Active Placement. The New Placement program phase begins when we receive a written application and references. Through a deliberate and careful process that includes telephone interviews, a home visit, and a readiness assessment, we gather detailed information about each applicant. After this rigorous selection process, our team matches approved applicants with monkeys in training to select the right monkey for the individual and the environment. When the final match is made, our Placement Team arranges to spend up to one week conducting on-site training in the recipient's home. Our staff also works closely with state officials to acquire all the appropriate permits to receive and house a Helping Hands service monkey. During the Placement Week, our Placement Team focuses on helping a recipient bond with his or her new monkey helper. They also conduct additional training to customize the monkey's skills to the recipient's specific needs and environment. Our staff teaches the recipient and his or her family and other caregivers about how to care for their new service animal, and about the monkey's behavioral, health, and diet needs.

During the first year of a new placement these new partners learn each other's capabilities and build a bond of trust and understanding. Our team carefully watches over each partnership during this formative time, staying in contact daily and then weekly with recipients to ensure the long-term success of this remarkable relationship.

We are committed to ensuring the long-term success of all our partnerships with recipients. We routinely evaluate each placement to ensure that it is developing successfully and to actively address the ongoing needs of our recipients. As relationships between recipients and their monkey helpers grow and mature, Helping Hands ensures that the interdependence between partners progresses productively. Our recipients can reach us by phone 24/7 for consultation, guidance or advice. And because we maintain ownership of our monkeys throughout their lives, we also oversee their ongoing health care and other needs.

Retirement Program:

Our monkey helpers have spent their lives bringing increased independence, companionship, and joy to recipients throughout the country. When a placement ends, whether due to the recipient choosing to return a monkey or due to the recipient's declining health and increasing medical needs, or even the unfortunate death of a recipient, our training staff assesses the overall health and age of the monkey. If the monkey is too old or requires advanced medical care that would make another placement challenging, the monkey is retired from service. We try to place as many of these "after-service care" monkeys with foster families throughout the country so they can enjoy their golden years in comfort. However, we also provide care for retired monkeys in our facility in Boston when we cannot find an appropriate foster home for them. As our program and our monkeys age, this has been a growing aspect of our work. We are committed to providing our monkeys, who have given so much to so many throughout their lifetimes, with the highest level of care throughout the remainder of their time with us.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. 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 and disclosure of contingent 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; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

Fair Value of Financial Instruments:

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary use of fair value measures in the Organization's financial statements is the recurring measurement of the Organization's investments and its beneficial interest in a perpetual trust. There have been no changes to this valuation methodology.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 3 *(Continued)*

Financial Statement Presentation:

As required by the *FASB Accounting Standards Codification*TM, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - consists of assets, public support and program revenues which are available and used for operations and programs. Net assets without donor restrictions represents the portion of net assets of the Organization that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

Net Assets With Donor Restrictions - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants or bequests and may include investment income earned on restricted funds. These net assets may also include resources which have a donor-imposed restriction which stipulates that a portion of the assets are to be maintained in perpetuity, but permits the Organization to expend part or all of the income derived from the donated assets.

Pledges and Contributions Receivable:

Pledges and Contributions Receivable reflects unconditional promises to give. Receivables are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. For the year ended September 30, 2019, the non-current pledges were due within two years. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when such amounts are considered material.

Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. Management believes that all receivables are collectible; therefore, no allowance for doubtful amounts has been established. If balances due are determined to be uncollectible in subsequent periods, an allowance will be established at that time. There were no balances deemed to be uncollectible and no bad debt expense recorded during the year ended September 30, 2019.

Property and Equipment:

Property, equipment, furnishing and improvement purchases in excess of \$1,000 are capitalized at cost, if purchased, or if donated, at fair value on the date of receipt. Expenditures for maintenance repairs and renewals are charged to expense as incurred, whereas, major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged against support and revenues over the estimated useful lives of the assets, as expressed in terms of years.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 3 *(Continued)*

Pre-Development Costs:

As of September 30, 2019, architect, engineering and legal costs totaling \$118,645 were incurred in the early stages of a capital expansion and renovation project. During this phase of the project, these costs are carried as *Pre-Development Costs* on the Statement of Financial Position. When financing and capital campaign funding is secured and the expansion and renovation project proceeds into construction, the deferred costs will be reclassified as Construction in Progress to be capitalized as part of the building expansion cost.

Investments:

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gain and losses, less external and direct internal investment expenses. Cash held in brokerage accounts is reported as investments for purposes of these financial statements. Investments are classified as either short-term or long-term depending on the underlying intentions. Endowment investments are classified as long-term without regard to the investment composition.

Beneficial Interest in Perpetual Trust:

The Organization reports the fair value of its beneficial interest in a perpetual trust (the "Trust") as a long-term asset as required by the *FASB Accounting Standards Codification*TM. The *Beneficial Interest in Perpetual Trust* is reported at its fair value, which is estimated at the value of the underlying Trust assets, and are classified within Level 3 of the fair value hierarchy. The change in the value of the *Beneficial Interest in Perpetual Trust* is reported as an increase or decrease in net assets with donor restrictions. Income earned on assets held in the *Beneficial Interest in Perpetual Trust* is recognized as a component of *Investment Return* when received.

Endowment Funds:

Helping Hands has two donor-restricted endowment funds. As required by state laws, the Organization follows the guidance of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA establishes law for the management of investment of donor-restricted endowment funds.

The Board of Director's interpretation of state law is that the Organization, absent explicit donor stipulations to the contrary, may appropriate as much of the endowed funds as is prudent considering the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions. In accordance with UPMIFA, the Organization considers the factors on the following page in making a determination of whether to invest or appropriate donor-restricted endowment funds.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 3 *(Continued)*

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Income and appreciation earned on endowment investments are classified as net assets with donor restrictions until appropriated for expenditure by the Board of Directors based on the above factors. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level of the original corpus. Deficiencies of this nature are reported in net assets with donor restrictions.

The Organization has a spending policy of appropriating for distribution each year the endowment income to supplement operating income. For the year ended September 30, 2019, distributions from endowment assets totaled \$10,454. The Organization takes a conservative approach to investing its endowment funds, which are maintained in mutual funds and are reported as *Evans Endowment Investments* in the accompanying Statement of Financial Position.

Gifts, Grants and Contributions:

As required by the *FASB Accounting Standards Codification*TM, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, bequests, collection items, stocks or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction expires, at which time these amounts are reclassified to net assets without donor restrictions.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 3 *(Continued)*

Donated Goods and Services:

As required by the *FASB Accounting Standards Codification*TM, Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled maintains a policy whereby the value of the donated goods and services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recognized as revenue on the Statement of Activities and are reported as expenses on the Statement of Functional Expenses. For the year presented, *Donated Goods and Services* primarily consists of pro bono legal services in the amount of \$73,675 and are included in *Consultants and Professional Fees* in the accompanying Statement of Functional Expenses.

Functional Expenses:

Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated using space and time usage formulas. Expenses allocated by time usage consist of *Salaries and Wages, Payroll Taxes, and Employee Benefits*. *Mortgage Interest Expense, Maintenance and Repairs, Utilities, Insurance, IT Services and Website, Telephone, and Depreciation Expense* are allocated based on the usage of the underlying assets and square footage calculations.

Supporting services are those related to operating and managing Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled's internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials, costs of special fund raising events and other similar projects related to the procurement of donated funds.

Advertising:

Helping Hands: Simian Aides For The Disabled, Inc. *d/b/a* Helping Hands: Monkey Helpers For The Disabled uses print advertising and other media to promote its programs, including the Placement Program. Advertising costs are expensed as incurred.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 3 *(Continued)*

Recent Accounting Guidance:

In May 2014, the FASB issued ASC Update No. 2014-09, (Topic 606) *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. In August 2015, the FASB deferred the effective date of ASC Update No. 2014-09 by one year when it issued ASC Update No. 2015-14, (Topic 606) *Revenue from Contracts with Customers*. This standard is effective for this Organization in financial statements issued for fiscal years beginning October 1, 2019.

In June 2018, the FASB issued ASC Update No. 2018-08, (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard is effective for this Organization in financial statements issued for fiscal years beginning October 1, 2019.

NOTE 4 INVESTMENTS

As of September 30, 2019, investment costs and unrealized gains and losses consisted of the following components:

<u>Investment Type</u>	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value (Level 1)</u>	<u>Fair Value (Level 2)</u>
Money Market Funds	\$ 73,069	\$ -	\$ -	\$ 73,069	\$ -
Corporate Bonds	275,005	2,963	-	-	277,968
Mutual Funds	183,870	18,201	-	202,071	-
Equity Securities	188,655	125,695	-	314,350	-
Exchange-Traded Products	<u>21,310</u>	<u>41</u>	<u>(355)</u>	<u>20,996</u>	<u>-</u>
Total	<u>\$741,909</u>	<u>\$146,900</u>	<u>\$(355)</u>	<u>\$610,486</u>	<u>\$277,968</u>

The Organization uses the following way to determine the fair value of investments:

Money Market Funds: Determined by the published net asset value (“NAV”) per unit at the end of the last trading day of the year, which is the basis for transactions at that date

Mutual Funds, Equity Securities, and Exchange-Traded Products: traded on national securities exchanges and are determined by the published closing price on the last business day of the calendar year.

Fixed Income Corporate Bonds: valued at the market quotations provided by brokers and dealers who used quotations for similar securities in active markets, which represents a market approach.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 4 (Continued)

As of September 30, 2019, investments are presented in the accompanying Statement of Financial Position as follows:

<u>Financial Statement Classification</u>	<u>Amount</u>
Long-Term Investments	\$672,659
Evans Endowment Investments	<u>215,795</u>
Total Investments	<u>\$888,454</u>

Components of *Investment Return* for the year ended September 30, 2019 is as follows:

<u>Components of Investment Return</u>	<u>Amount</u>
Interest and Dividends	\$44,661
Net Realized/Unrealized Gain on Investments	48,747
Investment Fees	<u>(6,830)</u>
Net Investment Return	<u>\$86,578</u>

NOTE 5 PROPERTY AND EQUIPMENT

The following is a summary of the Organization's property and equipment as of September 30, 2019:

<u>Asset Category</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	-	\$ 100,000	\$ -	\$ 100,000
Building	30	325,000	211,250	113,750
Building Improvements	30	3,503,166	1,912,513	1,590,653
Furniture and Fixtures	5	24,689	24,689	-
Equipment	5	<u>90,527</u>	<u>82,519</u>	<u>8,008</u>
Total		<u>\$4,043,382</u>	<u>\$2,230,971</u>	<u>\$1,812,411</u>

NOTE 6 LINE-OF-CREDIT

The Organization has a revolving line-of-credit with Rockland Trust with a borrowing limit of \$150,000. The line is secured by substantially all assets of the Organization. As of September 30, 2019, the applicable interest rate was 5.00%, and there was an outstanding balance of \$40,000.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 7 NOTE PAYABLE

Mortgage:

The Organization carries a mortgage from Rockland Trust which is secured by its real estate. Under the agreement, the monthly payments are \$11,603, and the maturity date of the note is September 2023. The terms of the mortgage allow for periodic adjustments to the interest rate, which was 6% as of September 30, 2019.

The principal portion of the mortgage note scheduled for payment in FY 2020 is \$116,666, and the remaining non-current portions are due in subsequent periods as scheduled below:

<u>Year Ending</u>	<u>Amount</u>
September 30, 2021	\$120,665
September 30, 2022	124,800
September 30, 2023	<u>57,720</u>
Total	<u>\$303,185</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consisted of the following balances as of September 30, 2019:

<u>Nature of Restriction</u>	<u>Amount</u>
Capital Campaign	\$ 386,355
Training and Placement	25,000
Medical and Veterinary Expenses	6,391
Time Restricted	230,000
Evans Endowment Funds	215,795
Beneficial Interest in Perpetual Trust	<u>325,642</u>
Total	<u>\$1,189,183</u>

Net assets released from donor restrictions by incurring expenses which satisfied the restricted purposes, by the passage of time or by the occurrence of events specified by the donors were as follows for the year presented:

<u>Nature of Restriction</u>	<u>Amount</u>
Capital Campaign	\$118,645
Training and Placement	22,825
Medical and Veterinary Expenses	13,609
Appropriation of Endowment Earnings	10,454
Time Restrictions Elapsed	<u>180,000</u>
Total	<u>\$345,533</u>

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 8 (Continued)

Capital Campaign:

The Organization is in the initial stages of a capital campaign to support building expansion and renovation of existing space. The expansion will enlarge the current facility by approximately 1,000 square feet and will help to create space that is more appropriate for the Organization's growing population of retired service monkeys. The project will create new room designs that allow our monkeys to live, play, and socialize in larger groupings for longer periods of time, as they will not require daily individual training sessions. The Organization will also be upgrading its HVAC and plumbing systems for greater efficiency and reliability.

Endowment Funds:

All endowment net assets represent donor-restricted funds. The following schedule summarizes the change in endowment net assets for the year ended September 30, 2019:

	<u>Original Gift</u> <u>Amount</u>	<u>Net</u> <u>Appreciation</u>	<u>Total</u> <u>Endowment</u> <u>Net Assets</u>
Endowment Net Assets, October 1, 2018	\$ 200,000	\$ 17,228	\$ 217,228
Investment Return	-	9,021	9,021
Distributions	-	(10,454)	(10,454)
Endowment Net Assets, September 30, 2019	<u>\$ 200,000</u>	<u>\$ 15,795</u>	<u>\$ 215,795</u>

Beneficial Interest in Perpetual Trust:

The following schedule summarizes the change in the *Beneficial Interest in Perpetual Trust* for the year ended September 30, 2019:

	<u>Amount</u>
Balance as of October 1, 2018	\$337,402
Change in Value of Beneficial Interest in Perpetual Trust	<u>(11,760)</u>
Balance as of September 30, 2019	<u>\$325,642</u>

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 9 RETIREMENT PLAN

The Organization maintains a salary deferral plan under section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds. The Organization, at its option, may match a portion of the employees' contributions. There was no employer match for the year ended September 30, 2019.

NOTE 10 RELATED PARTY TRANSACTIONS

A corporation, wholly owned by a Director of the Organization, provides services, including routine repairs and maintenance on the heating, ventilation, air conditioning, and fire detection systems. The total amount paid to this corporation was \$4,779 for the year ended September 30, 2019 and has been included in *Maintenance and Repairs* in the accompanying Statement of Functional Expenses.

NOTE 11 CONCENTRATIONS AND CONTINGENCIES

Financial instruments which potentially subject the Organization to concentrations of credit and market risk consist principally of the Organization's investment portfolio and contributions receivable.

Investments:

The Organization invests or holds a variety of investment vehicles. These investments are exposed to interest rate, market, credit and other risks depending upon the nature of the investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization's investments; however, the Organization's investments do not represent significant concentrations of market risk considering the Organization's portfolio is widely diversified among issuers. The brokerage services are a member of the Securities Investor Protection Corporation ("SIPC") which protects securities customers of its members up to \$500,000, including \$250,000 for claims of cash.

Pledges Receivable and Revenue:

As of September 30, 2019, 93% of the balance in *Pledges and Contributions Receivable* represents the amounts due from one donor. For the year ended September 30, 2019, contributions from this donor represented 49% of total support and revenue.

Contingencies:

The Organization is subject to federal, state and local laws and regulations regarding the locations in which service animals may be placed. Changes or restrictions in such regulations can have a significant impact on the areas where the Organization is able to operate some of its existing programs with its current mission.

HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.
d/b/a HELPING HANDS: MONKEY HELPERS FOR THE DISABLED

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 12 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts of contributions and a concentration of contributions received near calendar year end. To manage liquidity, the Organization maintains various sources of liquidity at its disposal, including cash, marketable debt and equity securities, and a line-of-credit. See Note 6 for information about the Organization's line-of-credit. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization is funded primarily through donations it receives throughout the year.

The following table reflects the Organization's financial assets as of September 30, 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board designated endowments. These board designations could be drawn upon if the board approves that action.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities of operating programs as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial Assets:	
Cash	\$ 190,520
Pledges and Contributions Receivable	539,540
Investments	888,454
Perpetual Trusts Held by Others	<u>325,642</u>
Total Financial Assets as of September 30, 2019	1,944,156
Less Amounts Not Available to be Used Within One Year:	
Capital Campaign Proceeds	(112,927)
Capital Campaign Pledges Receivable	(300,000)
Contributions Receivable After One Year	(100,000)
Perpetual Trusts Held by Others	(325,642)
Investments in Endowments,	
Less Estimated Annual Endowment Draw	<u>(205,795)</u>
Financial Assets Available to Meet	
General Expenditures Within One Year	<u>\$ 899,792</u>

NOTE 13 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through January 16, 2020, the date which the financial statements were available for issue and noted no events which met the recognition criteria.