HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.

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

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Smith Sullivan & Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 200 Westborough, Massachusetts 01581
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<u>HELPING HANDS: SIMIAN AIDES FOR THE DISABLED, INC.</u>

d/b/a **<u>HELPING HANDS: MONKEY HELPERS FOR THE DISABLED</u>**

<u>REPORT ON FINANCIAL STATEMENTS</u>

<u>FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018</u>

<u>Mission Statement</u>

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.

www.monkeyhelpers.org

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

REPORT ON FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

C O N T E N T S

Smith Sullivan & Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 200 Westborough, Massachusetts 01581
Tel: 508.871.7178 Fax: 508.871.7179 www.ssbcpa.com

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, 2018, and the related statements of activities, functional expenses and cash flows for the nine-month period 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, 2018 and the changes in its net assets and its cash flows for the nine-month period 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
March 21, 2019

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, 2018

Helping Hands: Monkey Helpers for the Disabled, Inc. experienced significant change throughout 2018. We successfully hired a new, permanent Executive Director, completed a new Strategic Plan to guide us through 2021, completed a fiscal year transition, added new Board Members, and moved forward with our building renovation plan. We also continued to support our core mission of training and placing service monkeys with people living with mobility impairments throughout the United States and supporting existing placements.

2018 saw the successful completion of our Executive Director Search. The committee spent time reviewing the current and future needs of Helping Hands and revising the Executive Director job description to align with those needs. Following a national search, the committee was pleased to offer the position to Angela Lett, formerly serving as Interim Executive Director. Now that we have a permanent Executive Director in place, we are focusing on hiring a new Director of Development. After three years of transition in these key positions, we are looking forward to having them fully staffed and able to guide and support Helping Hands moving forward.

Completion of a new strategic plan was a key achievement in 2018 in order to guide the organization through 2021. Much has changed in the 40 years that Helping Hands has been in existence and our new strategic plan focuses on what the future of Helping Hands might look like. We have outlined key areas to examine and refine over the next three years, including monkey housing and daily care, facilities, human resources, fundraising and financial needs, and governance. Our Board, staff, and other key stakeholders will work over the next three years to answer the following key questions: 1.) What is the plan to take care of the monkeys for the next 15 years?, and 2.) What is the plan for Helping Hands after the aging out of the monkey-helper program? We look forward to sharing our results and plans as they unfold.

We successfully transitioned to a new fiscal year in 2018. To accommodate this change Helping Hands: Monkey Helpers completed a short nine-month fiscal year (also called a “stub year”) from January 1, 2018 through September 30, 2018, and we began our current 12-month fiscal year on October 1, 2018. These audited financials only represent a nine-month period (January-September). Additionally, approximately 40% of our funding has historically been received during the final quarter of the calendar year (October-December). Therefore, these audited financials represent a planned deficit approved by the Board of Directors during this fiscal year change. Please also note that due to this being a stub year, there is no year-over-year comparison of our finances.

Our Building Committee spent the past year looking into the possibility of renovating our existing building to better house all of the monkeys in our care, which includes both those in training and those in after-service care (retired). The Building Committee is comprised of Board members, senior staff, and other volunteers with backgrounds in the building trades and has been instrumental in moving our renovation plans forward. Throughout the year, the committee successfully hired an architect firm to create a schematic design, hired an attorney to help with permitting and variances for the building renovation, and met with key stakeholders to outline essential needs. The Building Committee will continue to move the project forward as appropriate. Additionally, we are actively working on financing the project and have already received pledge commitments for the capital campaign to renovate the building.

With so many significant changes occurring at Helping Hands, we continue to be grateful for our donors. Your gift ensures that we can provide the support our recipients and monkeys rely on 24/7 and at no cost to them. You are the reason we can offer our life-changing service animals and make a difference in the lives of our recipients every day. We look forward to continuing to share the changes that are taking place throughout the upcoming year.

Thank you.

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

STATEMENT OF FINANCIAL POSITION
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

ASSETS

CURRENT ASSETS:	
Cash	$ 37,198
Operating Reserve	55,778
Accounts Receivable	5,230
Pledges Receivable	80,000
Prepaid Expenses	21,522
Total Current Assets	199,728
NET PROPERTY AND EQUIPMENT	1,944,230
NON-CURRENT ASSETS:	
Long-Term Investments	920,117
Evans Endowment Investments	217,228
Pledges Receivable, Non-Current	30,000
Benefical Interest in Perpetual Trust	337,402
Total Non-Current Assets	1,504,747
TOTAL ASSETS	$ 3,648,705

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Notes Payable, Current	$ 112,799
Accounts Payable and Accrued Expenses	13,544
Accrued Payroll and Related Costs	41,501
Total Current Liabilities	167,844
LONG-TERM NOTE PAYABLE, NET OF CURRENT PORTION	418,293
TOTAL LIABILITIES	586,137
NET ASSETS:	
Net Assets Without Donor Restrictions	2,375,112
Net Assets With Donor Restrictions	687,456
Total Net Assets	3,062,568
TOTAL LIABILITIES AND NET ASSETS	$ 3,648,705

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

STATEMENT OF ACTIVITIES
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL ACTIVITIES
SUPPORT, REVENUES AND RECLASSIFICATIONS:			
Public Support and Other Revenues:			
Gifts, Grants and Contributions	$ 507,857	$ 90,000	$ 597,857
Donated Goods and Services	73,709	-	73,709
Other Revenues:			
Investment Return	56,038	7,420	63,458
Change in Value of Benefical Interest in Perpetual Trust	-	(10,954)	(10,954)
Interest Income	171	-	171
Reclassification of Net Assets:			
Net Assets Released from Restrictions	117,356	(117,356)	-
TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS	**755,131**	**(30,890)**	**724,241**
FUNCTIONAL EXPENSES AND LOSSES BEFORE DEPRECIATION:			
Program Services	733,967	-	733,967
Administrative	68,180	-	68,180
Fund Raising	104,776	-	104,776
Total Functional Expenses Before Depreciation	906,923	-	906,923
Losses:			
Uncollectible Pledges *(Note 3)*	-	26,000	26,000
TOTAL FUNCTIONAL EXPENSES AND LOSSES BEFORE DEPRECIATION	**906,923**	**26,000**	**932,923**
CHANGE IN NET ASSETS BEFORE DEPRECIATION	**(151,792)**	**(56,890)**	**(208,682)**
Depreciation Expense	(108,385)	-	(108,385)
TOTAL CHANGE IN NET ASSETS	**(260,177)**	**(56,890)**	**(317,067)**
NET ASSETS - BEGINNING OF PERIOD	**2,635,289**	**744,346**	**3,379,635**
NET ASSETS - END OF PERIOD	**$ 2,375,112**	**$ 687,456**	**$ 3,062,568**

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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	PROGRAM SERVICES	ADMINI-STRATIVE	FUND RAISING	TOTAL FUNCTIONAL EXPENSES
PERSONNEL AND RELATED COSTS:				
Salaries and Wages	$ 388,626	$ 24,277	$ 69,375	$ 482,278
Payroll Taxes	32,522	1,467	5,502	39,491
Employee Benefits	43,736	1,843	9,871	55,450
OCCUPANCY:				
Mortgage Interest Expense	19,714	419	839	20,972
Maintenance and Repairs	35,524	875	530	36,929
Utilities	51,131	1,063	935	53,129
Insurance	12,080	2,725	-	14,805
OTHER EXPENSES:				
Supplies and Materials	19,007	737	34	19,778
Veterinary Services	25,826	-	-	25,826
Consultants and Professional Fees	73,709	25,712	2,423	101,844
Printing	9,412	263	5,294	14,969
Postage	5,303	225	87	5,615
IT Services and Website	8,197	192	1,593	9,982
Telephone	3,880	1,026	130	5,036
Dues, Subscriptions and Fees	320	7,231	8,024	15,575
Travel and Meetings	4,310	86	-	4,396
Miscellaneous Expenses	670	39	139	848
Total Expenses Before Depreciation	733,967	68,180	104,776	906,923
Depreciation Expense	101,882	2,168	4,335	108,385
Total Functional Expenses	**$ 835,849**	**$ 70,348**	**$ 109,111**	**$ 1,015,308**

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

STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	$ (317,067)
Adjustments to Reconcile the Above to Net Cash (Used) by Operating Activities:	
Depreciation	108,385
Donated Stock	(25,759)
Investment Return	(63,458)
Change in Value of Beneficial Interest in Perpetual Trust	10,954
(Increase) Decrease in Current Assets:	
Accounts Receivable	(5,230)
Pledges Receivable	36,500
Prepaid Expenses	(623)
Increase (Decrease) in Current Liabilities:	
Accounts Payable and Accrued Expenses	(4,076)
Accrued Payroll and Related Costs	19,424
(Increase) Decrease in Non-Current Assets:	
Pledges Receivable	(10,000)
Net Adjustment	66,117
NET CASH (USED) BY OPERATING ACTIVITIES	**(250,950)**
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from Securities Sold/Transfer to Operations	172,467
Net Cash Flows from Investing Activities	172,467
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal Reduction on Notes Payable	(81,029)
Net Cash Flows from Financing Activities	(81,029)
NET (DECREASE) IN CASH BALANCES	**(159,512)**
CASH BALANCES - BEGINNING OF PERIOD	**252,488**
CASH BALANCES - END OF PERIOD	**$ 92,976**
Cash Balances:	
Cash, Unrestricted	*$ 37,198*
Operating Reserve	*55,778*
Total Cash Balances	*$ 92,976*
Supplemental Disclosures:	
Interest Paid	*$ 20,972*

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.

During the nine-month period ended September 30, 2018, Helping Hands changed its fiscal year end from December 31 to September 30. Therefore, these financial statements reflect activities for the nine-month period ended September 30, 2018, which is less than a one-year operating cycle; accordingly, they do not reflect a normal operating cycle and are not indicative of the results to be expected in future reporting periods.

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 place retired monkeys in loving homes where they are well cared for

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.

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.

Youth Education Program:

Since 1998, Helping Hands has educated thousands of children about safety and ways to help prevent spinal cord injury by bringing informative and engaging educational programs to schools, camps, and youth groups. Our newest program, "Living Permanently Enabled", is a fun and lively 30- to 45-minute presentation focusing on disability awareness, traumatic injury prevention, and the concept of being permanently enabled in one's own life.

Helping Hands staff members describe our service animals, and then focus on teaching strategies for resilience and making the choice to live permanently enabled. Through interactive activities, film clips, photos and questions, our staff delivers a dynamic program promoting a message of resilience and awareness in an age-appropriate manner.

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 are the initial measurement of unconditional promises to give and the recurring measurement of the Organization's investments and of its beneficial interest in a perpetual trust. There have been no changes to this valuation methodology.

NOTE 3 *(Continued)*

Financial Statement Presentation:

As required by the *FASB Accounting Standards Codification*™, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. 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 Receivable:

Pledges 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 nine-month period ended September 30, 2018, 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. For the nine-month period ended September 30, 2018, the Organization recorded a $26,000 loss on an uncollectible pledge receivable.

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.

NOTE 3 *(Continued)*

Investments:

The Organization maintains investment portfolios consisting of money market funds, fixed income corporate bonds, equity securities and mutual funds. Investments are recorded at fair value. As required by *FASB Accounting Standards Codification*™, the Organization reports the investments' net realized and unrealized gains and losses at each reporting date in the Organization's Statement of Activities. Purchases and sales of securities are recorded on the trade date. In determining the gains (losses) realized on the sales of securities, the cost of the securities sold has been determined on a specific identification basis. 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™.* 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 permanently restricted net assets. 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.

- 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

NOTE 3 *(Continued)*

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 nine-month period ended September 30, 2018, distributions from endowment assets totaled $5,264. The Organizations 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*™, 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 depending on the nature of the restriction until the restriction expires, at which time these amounts are reclassified to net assets without donor restrictions.

Donated Goods and Services:

As required by the *FASB Accounting Standards Codification*™, 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 nine-month period presented, *Donated Goods and Services* consists of pro bono legal services in the amount of $73,709 and are included in *Consultant and Professional Fees* in the accompanying Statement of Functional Expenses.

NOTE 3 *(Continued)*

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 expenditure classification. Personnel and related costs are allocated based upon salary dollars, and occupancy costs are allocated based upon square footage. 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.

Recent Accounting Guidance:

Recently Implemented Standards

In August 2016, the Financial Accounting Standards Board ("FASB") issued ASC Update No. 2016-14, (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*, with the goal of improving not-for-profit financial statements to provide more useful information to donors, grantors, creditors, and other financial statement users. This ASU modified the current guidance over several criteria, of which the following affected the Organization's financial statements:

- The Organization's net assets are segregated into two categories, "with donor restrictions" and "without donor restrictions" as opposed to the previous requirement of three classes of net assets.
- The Organization provided qualitative and quantitative information relating to management of liquidity and the availability of financial assets to cover short-term cash needs within one year from the statement of financial position date.
- The Organization provided a more in-depth explanation of the methods used to allocate costs among program and supporting functions.

NOTE 3 *(Continued)*

Recently Issued Standards

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 the fiscal year beginning October 1, 2019. The adoption of this ASU is not expected to have a material effect on the Organization's financial position or change in net assets.

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 the fiscal year beginning October 1, 2019. The adoption of this ASU is not expected to have a material effect on the Organization's financial position or change in net assets.

In February 2016, the FASB issued ASC Update No. 2016-02, (Topic 842) *Leases* which establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. This standard is effective for this Organization in financial statements issued for the fiscal year beginning October 1, 2020. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The adoption of this ASU is not expected to have a material effect on the Organization's financial position or change in net assets.

NOTE 4 INVESTMENTS

As of September 30, 2018, investment costs and unrealized gains and losses consisted of the following components:

Investment Type	Cost	Unrealized Gains	Unrealized Losses	Fair Value (Level 1)	Fair Value (Level 2)
Money Market Funds	$ 33,040	$ -	$ -	$ 33,040	$ -
Corporate Bonds	452,041	-	(9,038)	-	443,003
Mutual Funds	190,430	26,162	-	216,592	-
Equity Securities	296,472	148,238	-	444,710	-
Total	$971,983	$174,400	$(9,038)	$694,342	$443,003

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

Fixed Income Corporate Bonds, Mutual Funds and Equity Securities: traded on national securities exchanges and are determined by the published closing price on the last business day of the calendar year.

As of September 30, 2018, investments are presented in the accompanying Statement of Financial Position as follows:

Financial Statement Classification	Amount
Long-Term Investments	$ 920,117
Evans Endowment Investments	217,228
Total Investments	$1,137,345

Components of *Investment Return* for the nine-month period ended September 30, 2018 is as follows:

Components of Investment Return	Amount
Interest and Dividends	$ 52,414
Investment Fees	(6,308)
Net Realized Gain on Investments	28,041
Net Unrealized Loss on Investments	(10,689)
Net Investment Return	$ 63,458

NOTE 5 PROPERTY AND EQUIPMENT

The following is a summary of the Organization's property and equipment as of September 30, 2018:

Asset Category	Est. Life	Cost	Accumulated Depreciation	Net Book Value
Land	-	$ 100,000	$ -	$ 100,000
Building	30	325,000	200,417	124,583
Building Improvements	30	3,503,166	1,796,172	1,706,994
Furniture and Fixtures	5	33,219	24,688	8,531
Equipment	5	81,997	77,875	4,122
Total		$4,043,382	$2,099,152	$1,944,230

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, 2018, the applicable interest rate was 4.75%, and there was no outstanding balance.

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 $10,941, and the maturity date of the note is September 2023. The terms of the mortgage allow for periodic adjustments to the interest rate based on the Federal Home Loan Bank one-year advance rate, plus 3% (5.8% as of September 30, 2018).

The principal portion of the mortgage note scheduled for payment in FY 2019 is $112,799, and the remaining non-current portions are due in subsequent periods as scheduled below:

Year Ending	Amount
September 30, 2020	$116,666
September 30, 2021	120,665
September 30, 2022	124,801
September 30, 2023	56,161
Total	$418,293

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consisted of the following balances as of September 30, 2018:

Nature of Restriction	Amount
Time Restricted	$110,000
Training and Placement	22,826
Evans Endowment Funds	217,228
Beneficial Interest in Perpetual Trust	337,402
Total	$687,456

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 nine-month period presented:

Nature of Restriction	Amount
Training and Placement	$ 21,592
Appropriation of Endowment Earnings	5,264
Time Restrictions Elapsed	90,500
Total	$117,356

Endowment Funds:

All endowment net assets represent donor-designated funds. The following schedule summarizes the change in endowment net assets for the nine-month period ended September 30, 2018:

	Total Endowment Net Assets
Endowment Net Assets, January 1, 2018	$215,073
Investment Income	3,304
Investment Fees	(1,593)
Investment Gains (Losses)	5,708
Distributions	(5,264)
Endowment Net Assets, September 30, 2018	$217,228

NOTE 8 *(Continued)*

Beneficial Interest in Perpetual Trust:

The following schedule summarizes the change in the *Beneficial Interest in Perpetual Trust* for the nine-month period ended September 30, 2018:

	Amount
Balance as of January 1, 2018	$348,356
Change in Value of Beneficial Interest in Perpetual Trust	(10,954)
Balance as of September 30, 2018	$337,402

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 nine-month period ended September 30, 2018.

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 $8,252 for the nine-month period ended September 30, 2018 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, including money market funds, mutual funds and preferred stocks and bonds. 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.

NOTE 11 *(Continued)*

Pledges Receivable:

As of September 30, 2018, 100% of the balance in *Pledges Receivable* represents the amounts due from two donors.

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.

NOTE 12 LIQUIDITY AND AVAILABILITY

The Organizations' 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 and cash equivalents, 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, 2018, 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.

Financial Assets:	
Cash and cash equivalents	$ 92,976
Pledges and Miscellaneous Receivables	115,230
Investments	1,137,345
Perpetual Trusts Held by Others	337,402
Total Financial Assets as of September 30, 2018	1,682,953
Less Amounts Not Available to be Used Within One Year:	
Perpetual trusts held by others	(337,402)
Investments in endowments, less estimated annual endowment draw	(212,000)
Contributions receivable after one year	(30,000)
Financial Assets Available to Meet General Expenditures Within One Year	$1,103,551

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 March 21, 2019, the date which the financial statements were available for issue and noted no events which met the recognition criteria.