

HelpMeSee, Inc.

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

DECEMBER 31, 2015

HelpMeSee, Inc.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
HelpMeSee, Inc.
New York, New York

We have audited the accompanying financial statements of HelpMeSee, Inc. (the “*Organization*”), which comprise the statements of financial position as of December 31, 2015 and 2014 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

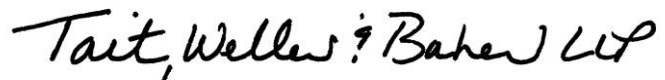
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 HelpMeSee, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Philadelphia, Pennsylvania
May 12, 2016

HelpMeSee, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31, 2015 And 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 5,565,690	\$ 1,956,196
Accounts receivable	214,180	187,112
Pledge receivable	540,978	6,312,146
Prepaid expenses	134,436	33,515
Furniture, equipment and capital expenses, net (<i>Note 2</i>)	1,469,509	1,041,578
Other assets	<u>134,959</u>	<u>135,665</u>
Total assets	<u>\$ 8,059,752</u>	<u>\$ 9,666,212</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts and accrued expenses payable	\$ 1,539,966	\$ 2,197,797
Line-of-Credit (<i>Note 3</i>)	610,000	610,000
Non-interest note payable (<i>Note 4</i>)	<u>3,000,000</u>	<u>3,000,000</u>
Total liabilities	<u>5,149,966</u>	<u>5,807,797</u>
NET ASSETS		
Unrestricted	1,485,719	2,551,893
Temporarily restricted (<i>Note 5</i>)	<u>1,424,067</u>	<u>1,306,522</u>
Total net assets	<u>2,909,786</u>	<u>3,858,415</u>
Total liabilities and net assets	<u>\$ 8,059,752</u>	<u>\$ 9,666,212</u>

HelpMeSee, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2015 And 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTALS</u>	
			<u>2015</u>	<u>2014</u>
PUBLIC SUPPORT				
Individuals	\$ 821,095	\$ 1,856,245	\$ 2,677,340	\$ 1,843,698
Corporations	23,643	-	23,643	40,340
Foundations (<i>Note 6</i>)	17,016,166	-	17,016,166	15,941,824
International Contributions (<i>Note 6</i>)	-	285,658	285,658	1,576,553
In-Kind contributions	51,763	-	51,763	66,952
Investment income (loss)	419	-	419	2,690
Rental income	44,062	-	44,062	42,732
Miscellaneous income	5,529	-	5,529	4,090
Net assets released from restriction (<i>Note 5</i>)	<u>2,024,358</u>	<u>(2,024,358)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>19,987,035</u>	<u>117,545</u>	<u>20,104,580</u>	<u>19,518,879</u>
EXPENSES				
Program services				
Surgical training, simulator and courseware	8,279,010	-	8,279,010	6,689,966
Cataract surgeries	4,307,822	-	4,307,822	4,246,083
Public awareness	<u>1,664,913</u>	<u>-</u>	<u>1,664,913</u>	<u>2,063,735</u>
Total program services	<u>14,251,745</u>	<u>-</u>	<u>14,251,745</u>	<u>12,999,784</u>
Supporting services				
Management and general	1,788,911	-	1,788,911	3,121,747
Fundraising	<u>4,946,419</u>	<u>-</u>	<u>4,946,419</u>	<u>2,327,460</u>
Total supporting services	<u>6,735,330</u>	<u>-</u>	<u>6,735,330</u>	<u>5,449,207</u>
Total expenses	<u>20,987,075</u>	<u>-</u>	<u>20,987,075</u>	<u>18,448,991</u>
Surplus/(deficit) of revenue over expenses	(1,000,040)	117,545	(882,495)	1,069,888
OTHER CHANGES				
Foreign currency gain/(loss)	<u>(66,134)</u>	<u>-</u>	<u>(66,134)</u>	<u>13,961</u>
Change in net assets	(1,066,174)	117,545	(948,629)	1,083,849
NET ASSETS				
Beginning of year	<u>2,551,893</u>	<u>1,306,522</u>	<u>3,858,415</u>	<u>2,774,566</u>
End of year	<u>\$ 1,485,719</u>	<u>\$ 1,424,067</u>	<u>\$ 2,909,786</u>	<u>\$ 3,858,415</u>

HelpMeSee, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2015

	<u>Surgical Training, Simulator And Courseware</u>	<u>Cataract Surgical Coverage</u>	<u>Public Awareness</u>	<u>Total Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>2015 Total Expense</u>
Salaries	\$ 1,155,031	\$ 820,036	\$ 412,648	\$ 2,387,715	\$ 345,665	\$ 700,456	\$ 3,433,836
Benefits and related payroll expenses	<u>190,846</u>	<u>135,494</u>	<u>68,182</u>	<u>394,522</u>	<u>57,114</u>	<u>115,736</u>	<u>567,372</u>
Total salaries and related costs	1,345,877	955,530	480,830	2,782,237	402,779	816,192	4,001,208
Program grants/costs							
Surgeries and surgical kits	-	2,024,358	-	2,024,358	-	-	2,024,358
Simulator Development	5,563,489	-	-	5,563,489	-	-	5,563,489
Donated professional services and office expenses	14,536	18,655	1,867	35,058	7,419	9,286	51,763
Professional services	235,622	527,610	335,376	1,098,608	1,229,147	3,196,158	5,523,913
Printing and postage	32,213	41,077	357,790	431,080	1,304	636,850	1,069,234
Travel and meetings	261,975	321,513	38,802	622,290	22,639	50,227	695,156
Office expenses	302,803	310,417	21,522	634,742	70,375	73,397	778,514
Advertising and promotion	11,928	39,242	349,536	400,706	4,014	45,391	450,111
IT and Web	423,647	31,766	53,494	508,907	40,406	81,251	630,564
Interest expense	1,500	500	-	2,000	250	250	2,500
Miscellaneous expense	61,812	20,520	25,696	108,028	6,644	33,482	148,154
Depreciation expense	<u>23,608</u>	<u>16,634</u>	<u>-</u>	<u>40,242</u>	<u>3,934</u>	<u>3,935</u>	<u>48,111</u>
Total expenses	<u>\$ 8,279,010</u>	<u>\$ 4,307,822</u>	<u>\$ 1,664,913</u>	<u>\$ 14,251,745</u>	<u>\$ 1,788,911</u>	<u>\$ 4,946,419</u>	<u>\$ 20,987,075</u>

HelpMeSee, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2014

	<u>Surgical Training, Simulator And Courseware</u>	<u>Cataract Surgical Coverage</u>	<u>Public Awareness</u>	<u>Total Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>2014 Total Expense</u>
Salaries	\$ 866,692	\$ 492,633	\$ 237,800	\$ 1,597,125	\$ 327,041	\$ 425,639	\$ 2,349,805
Benefits and related payroll expenses	<u>87,307</u>	<u>75,944</u>	<u>1,615</u>	<u>164,866</u>	<u>88,966</u>	<u>21,177</u>	<u>275,009</u>
Total salaries and related costs	953,999	568,577	239,415	1,761,991	416,007	446,816	2,624,814
Program grants/costs							
Surgeries and surgical kits	-	2,877,865	-	2,877,865	-	-	2,877,865
Simulator Development	4,779,579	-	-	4,779,579	-	-	4,779,579
Donated professional services and office expenses	21,644	42,800	135	64,579	23,639	135	88,353
Professional services	137,716	175,985	412,607	726,308	2,624,301	525,725	3,876,334
Printing and postage	11,614	21,063	584,900	617,577	1,312	1,041,135	1,660,024
Travel and meetings	203,853	303,574	34,017	541,444	6,036	40,053	587,533
Office expenses	150,721	143,702	7,896	302,319	24,389	32,286	358,994
Advertising and promotion	12,358	12,609	694,015	718,982	-	120,658	839,640
IT and Web	368,807	20,829	67,963	457,599	20,512	102,654	580,765
Interest expense	1,500	500	-	2,000	250	250	2,500
Miscellaneous expense	32,810	63,613	22,787	119,210	2,740	15,187	137,137
Depreciation expense	<u>15,365</u>	<u>14,966</u>	<u>-</u>	<u>30,331</u>	<u>2,561</u>	<u>2,561</u>	<u>35,453</u>
Total expenses	<u>\$ 6,689,966</u>	<u>\$ 4,246,083</u>	<u>\$ 2,063,735</u>	<u>\$ 12,999,784</u>	<u>\$ 3,121,747</u>	<u>\$ 2,327,460</u>	<u>\$ 18,448,991</u>

HelpMeSee, Inc.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2015 And 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ (948,629)	\$ 1,083,849
<i>Adjustments to reconcile change in net assets to Net cash provided by operating activities:</i>		
Depreciation	48,111	35,453
Write-off of fixed assets	2,159	-
(Increase)/decrease in assets:		
Accounts receivable	(27,068)	(161,281)
Pledges receivable	5,771,168	2,770,499
Prepaid expenses	(100,921)	177,352
Other assets	706	(117,545)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(657,831)</u>	<u>191,365</u>
Net cash provided by operating activities	<u>4,087,695</u>	<u>3,979,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture, equipment and capital expenses	<u>(478,201)</u>	<u>(450,904)</u>
Net cash used for investment activities	<u>(478,201)</u>	<u>(450,904)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of line of credit	<u>-</u>	<u>(4,000,000)</u>
Net cash used for financing activities	<u>-</u>	<u>(4,000,000)</u>
Net increase (decrease) in cash and cash equivalents	3,609,494	(471,212)
CASH		
Beginning of year	<u>1,956,196</u>	<u>2,427,408</u>
End of year	<u>\$ 5,565,690</u>	<u>\$ 1,956,196</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

HelpMeSee, Inc., (the “Organization”) is a global campaign to eliminate blindness caused by untreated cataracts. Twenty million people living in the developing world are blind for two basic reasons:

1. They have no access to highly trained cataract specialists where they live. In many countries, there is as few as one ophthalmologist per one million people.
2. They are extremely poor, earning just \$1 or \$2 per day when they are employed, so they cannot afford treatment even if it were available.

The centerpiece of the HelpMeSee strategy is to increase surgical access by training thousands of highly skilled cataract specialists to perform Manual Small Incision Cataract Surgery (MSICS). This operation is a quick (as little as 5 minutes for adults and 15 minutes for children), highly effective, and very low cost lens replacement procedure with results comparable to more expensive procedures practiced in the developed world.

It is HelpMeSee’s intention to train approximately 30,000 MSICS specialists to perform 60 million surgeries in 20 years. HelpMeSee’s specific goals are:

- Train cataract specialists (the majority of whom will be women) to perform a single standardized surgical procedure (MSICS) with high skill and at the lowest possible cost.
- Achieve the largest possible scale by utilizing highly standardized training methods and equipment, including very high fidelity virtual reality simulators, courseware, and methods adapted from commercial aviation pilot training.
- Conduct the training in the developing countries to those individuals who are willing and eager to serve the poor living in remote communities.
- Select and train applicants capable of successfully completing the instructional training to a high standard, which is objectively measured.
- Continuously improve quality of MSICS care, through applied research, refinement of surgical steps, and pre-sterilized single use surgical kits.
- Achieve the best standards of quality of surgical care, infection control and patient safety.
- Mobilize financial, material and volunteer resources to achieve sustainable funding solutions for the elimination of blindness caused by cataracts worldwide through private and public partnerships on behalf of the poor at the lowest possible cost.
- Pay surgical partners promptly for high quality cataract surgeries provided to the poor upon submission of specific, detailed and verifiable documentation for each completed procedure. Maintain transparent accounting of funds used and results achieved.
- Provide educational, technical, and financial support when necessary including loans to graduates so they may establish “best practice” business and surgical management systems specific to their practice locale in order to deliver high volume and high quality cataract surgeries, which are patient-centered.
- Establish a web and cloud based electronic surgical report system for surgical quality assurance, and monitoring and evaluation of outcomes for every graduate, surgical partner and patient.
- Develop proactive surgical eye-care policies with country governments and local insurance providers to include MSICS as essential surgery within the primary healthcare delivery.

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

The Organization occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“ASC”) 825, “*Financial Instruments*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

INVESTMENTS

Investments in equity securities with readily determinable fair market values are reported at fair market values with realized and unrealized gains and losses included in the statement of activities. Investments comprise donated securities not sold, but are being held until cash is required for operations, as determined by the Board of Directors.

FIXED ASSETS AND CAPITAL EXPENSES

Fixed assets are recorded at cost. Equipment is capitalized, while maintenance and repairs are expensed when incurred. The Organization provides depreciation on furniture, fixtures and equipment by the straight-line method at rates calculated using the estimated useful lives of the respective depreciable assets, generally three to seven years. Capital expenses represent the research and development costs of a prototype virtual reality simulator and are expensed as incurred. Development of coursework, Manual Small Incision Cataract Surgery, is capitalized at cost.

CONTRIBUTIONS

Unrestricted contributions receivable are recognized as contributions revenue and contributions receivable during the period in which they are promised. Conditional contributions are recognized only when the conditions on which they depend are substantially met and the contributions become unconditional. Contributions receivable (unconditional promises to give) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

The Organization received donated legal, consulting and other services with an estimated fair value of \$51,763 and \$66,952 for the years ended December 31, 2015 and 2014, respectively. These items are reflected as Contributions In-Kind in the accompanying statement of activities and changes in net assets.

All outstanding pledges at December 31, 2015 are expected to be collected within one year.

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015

NET ASSETS

The Organization's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Unrestricted net assets include the net assets that are associated with the principal mission of the Organization.

Temporarily restricted net assets – Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “*net assets released from restriction.*”

FUNCTIONAL EXPENSES

Functional expenses which are not specifically attributable to program service or supporting services are allocated based on estimates determined by management.

INCOME TAXES

The Organization is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) of the Internal Revenue Code and recognized as a public charity under Section 509(a)(1) of the Internal Revenue Code.

Management has reviewed the tax positions for the open tax years 2012-2014 or expected to be taken on the Organization's 2015 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

RECLASSIFICATIONS

Certain reclassifications were made to the 2014 financial statements to conform to the 2015 presentation.

(2) FURNITURE, EQUIPMENT AND CAPITAL EXPENSES

At December 31, 2015 and 2014, furniture and equipment consists of the following:

	<u>2015</u>	<u>2014</u>
Office furniture	\$ 23,210	\$ 23,210
Office equipment	91,965	66,596
Leasehold improvements	265,163	9,124
Computers	<u>19,108</u>	<u>21,699</u>
	399,446	120,629
Less: accumulated depreciation and amortization	<u>126,361</u>	<u>78,681</u>
	<u>273,085</u>	<u>41,948</u>
Development		
Courseware	1,196,424	891,810
Construction-in-progress		
Leasehold improvements	<u>-</u>	<u>107,820</u>
	<u>1,196,424</u>	<u>999,630</u>
	<u>\$ 1,469,509</u>	<u>\$ 1,041,578</u>

Depreciation expense for the years ended December 31, 2015 and 2014 totaled \$48,111 and \$35,453, respectively.

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015

The Organization is developing a virtual reality simulator and courseware to train cataract specialist in Manual Small Incision Cataract Surgery (MSICS). The design calls to achieve a level of realism that is virtually indistinguishable from live surgery performed by an experienced surgeon. This will replace traditional MSICS training with simulator based proficiency training rather than using it as an adjunct to live training. The Organization is applying the aviation FAA level D simulator standard both as a quality standard and as a template for developing the simulator. The various component technologies required for simulation that meets the Organizations goals are:

- Haptic
- Large incision, topological changes
- Tissue/tool collision
- Deformation
- Force calculation

Proficiency level of training of cataract surgeons is accomplished with Instructor Based Training (IBT), Computer Based Training (CBT) and Simulator Based Training (SBT) instructional curriculum and learning management systems. The Organization has successfully developed proof of concept models of the Eye Surgical Simulator for Cataract. Based on relative merits of the models and cost considerations the chosen concept will go into further development and production. Physics based model of the eye developed with extensive data gathered during live cataract surgeries is used as the foundation of the HelpMeSee Eye Surgical Simulator for Cataract.

Research and development costs related to the design, development and production of the prototype model are being expensed as incurred. Research and development costs of \$5,563,489 and \$4,779,579 were expensed in 2015 and 2014, respectively.

(3) LINE-OF-CREDIT

The Organization has lines-of-credit from two Foundations towards start-up costs, including the design and development of the simulator. The total amount of funds available under the lines-of-credit is \$5,000,000. The lines-of-credit have an interest rate equal to .41%, with all interest and principal due to be paid upon written notice of the lender (*See Note 6*). As of December 31, 2015 and 2014, the Organization had drawn down \$610,000, respectively, of the funds available.

The Organization incurred interest expense of \$2,500 for the years ended December 31, 2015 and 2014, respectively.

(4) NON-INTEREST NOTE PAYABLE

In connection with the Organization's objective to train thousands of cataract specialists in manual small incision cataract surgery (MSICS), on September 12, 2012, the Bill & Melinda Gates Foundation ("*Foundation*") and the Organization entered into a program related investment agreement for up to \$12 million. Under the terms of the agreement, HelpMeSee drew down \$3,000,000. The terms of the agreement also require the Organization to reach specific milestones by specific dates, in order to continue the annual drawdowns. The Ueltschi Foundation has matched the draw down from the Bill & Melinda Gates Foundation based on the pre-agreed formula

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015

(5) NET ASSETS

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2015 and 2014 are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Cataract surgeries restricted to India	\$ 520,083	\$ 1,219,770
Cataract surgeries restricted to other regions	<u>903,984</u>	<u>86,752</u>
Total	<u>\$ 1,424,067</u>	<u>\$ 1,306,522</u>

Net assets released by satisfying the donor restrictions were as follows:

	<u>2015</u>
Cataract surgeries funded by India (HelpAge) contributions	\$ 985,345
Cataract surgeries funded by other contributions	<u>1,039,013</u>
Total	<u>\$ 2,024,358</u>

HelpMeSee surgical partners performed 50,610 surgeries in 2015 and 76,637 surgeries in 2014. Every surgical reimbursement is accounted for using the surgical quality assurance and reporting available on the HelpMeSee web based surgical partners and patient information system.

(6) CONTRIBUTIONS

For the years ended December 31, 2015 and 2014, the Organization received contributions, including outstanding pledges of \$5,000,000 at December 31, 2014 from two foundations in the amount of \$16,881,676 and \$15,833,500, respectively, which represents 84% and 81% of the Organization's total revenue. These two foundations also have provided the Organization with a line-of-credit (*See Note 3*).

The Organization has embarked on a campaign with HelpAge India for elimination of blindness due to cataracts in India. The Organization provides funds for the cost of the campaign. The campaign raised total contributions and pledges of \$285,658, net of exchange losses of \$47,983, and \$1,219,770 in 2015 and 2014, respectively, and is included in "International Contributions" in the Statement of Activities and Changes in Net Assets. The funds raised are disbursed to partners in India to perform cataract surgeries.

(7) JOINT COSTS

For the years ended December 31, 2015 and 2014, the Organization incurred joint costs of \$1,343,663 and \$1,825,757, respectively, for informational materials and activities that included fund-raising appeals. For the year ended December 31, 2015 and 2014, these joint costs were allocated as follows:

	<u>2015</u>	<u>2014</u>
Fundraising	\$ 859,944	\$ 1,168,483
Public Awareness	<u>483,719</u>	<u>657,274</u>
	<u>\$ 1,343,663</u>	<u>\$ 1,825,757</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015

(8) LEASE COMMITMENTS

The Organization had a lease agreement, expiring in February 2018, for its New York office space. In July 2014, the Organization entered into a new lease agreement, expiring February 2023, with the same landlord for office space. The lease provides for monthly payments with annual increases of 2.5%. The Organization also has a lease agreement expiring July 31, 2017 for office space for its India operations.

Rent expense for the years ended December 31, 2015 and 2014 was \$372,924 and \$182,612 respectively.

Future minimum rental commitments under these leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 361,401
2017	333,060
2018	290,787
2019	298,057
2020	305,509
2021 and thereafter	<u>660,924</u>
	<u>\$2,249,738</u>

(9) CONTINGENCY

On August 31, 2011, the Organization entered into an Agreement with WonderWork, Inc. (f/k/a Surgery For The Poor, Inc., hereinafter “*Wonderwork*”), pursuant to which WonderWork agreed to provide the Organization with fundraising services. On August 17, 2012, the Organization terminated the Agreement. On March 21, 2013, WonderWork filed a demand for arbitration claiming that the Organization owed WonderWork certain unpaid fees. The Organization filed an answer and counterclaims on May 9, 2013, in which the Organization alleged that WonderWork fraudulently induced the Organization to enter into the Agreement, breached multiple provisions of the Agreement, and violated its fiduciary duties to the Organization. Arbitration hearings are currently in process. In connection with this arbitration action, for the years ended December 31, 2015 and 2014, the Organization incurred \$1,129,666 and \$2,591,776 of legal fees, respectively, which are included in “Management and General” expenses in the Statements of Activities and Changes in Net Assets. Public contributions are not being used to fund the payment of these legal costs.

(10) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, May 12, 2016, have been evaluated in the preparation of the financial statements.