

# **HelpMeSee, Inc.**

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

**DECEMBER 31, 2017**

# 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 consolidated financial statements of HelpMeSee, Inc. (the “*Organization*”), which comprise the consolidated statements of financial position as of December 31, 2017 and the related consolidated statement 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of HelpMeSee, Inc. as of December 31, 2017, 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.

### *Report on Summarized Comparative Information*

We have previously audited the Organization's 2016 consolidated financial statements, and our report dated April 28, 2017, expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Tait, Weller & Baker LLP*

**Philadelphia, Pennsylvania**  
**July 31, 2018**

# HelpMeSee, Inc.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,275,228	\$ 1,673,779
Accounts receivable	30,499	649,779
Pledge receivable ( <i>Note 2</i> )	59,000	190,349
Prepaid expenses	43,608	63,375
Inventory	477,264	-
Furniture, equipment and capital expenses, net ( <i>Note 3</i> )	3,557,763	2,083,558
Other assets	<u>278,241</u>	<u>281,860</u>
<b>Total assets</b>	<u>\$ 5,721,603</u>	<u>\$ 4,942,700</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts and accrued expenses payable	\$ 4,194,061	\$ 1,640,590
Line-of-Credit ( <i>Note 4</i> )	<u>-</u>	<u>1,860,000</u>
<b>Total liabilities</b>	<u>4,194,061</u>	<u>3,500,590</u>
<b>NET ASSETS</b>		
Unrestricted	(157,819)	(76,604)
Temporarily restricted ( <i>Note 6</i> )	<u>1,685,361</u>	<u>1,518,714</u>
<b>Total net assets</b>	<u>1,527,542</u>	<u>1,442,110</u>
<b>Total liabilities and net assets</b>	<u>\$ 5,721,603</u>	<u>\$ 4,942,700</u>

# HelpMeSee, Inc.

## CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2017 And 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTALS</u>	
			<u>2017</u>	<u>2016</u>
<b>PUBLIC SUPPORT</b>				
Individuals	\$ 701,268	\$ 352,928	\$ 1,054,196	\$ 1,718,532
Corporations	14,959	77,488	92,447	84,796
Foundations ( <i>Note 7</i> )	14,157,516	95,493	14,253,009	10,832,038
Government	54,249	-	54,249	104,415
In-Kind contributions	298,928	-	298,928	19,978
Investment income (loss)	816	-	816	1,813
Rental income	11,060	-	11,060	58,962
Miscellaneous income	3,841	-	3,841	6,644
Net assets released from restriction ( <i>Note 6</i> )	<u>359,262</u>	<u>(359,262)</u>	<u>-</u>	<u>-</u>
<b>Total revenue and other support</b>	<u>15,601,899</u>	<u>166,647</u>	<u>15,768,546</u>	<u>12,827,178</u>
<b>EXPENSES</b>				
Program services				
Training Cataract specialists and supporting practice readiness	9,081,706	-	9,081,706	8,091,877
Public awareness	<u>1,153,915</u>	<u>-</u>	<u>1,153,915</u>	<u>1,885,867</u>
<b>Total program services</b>	<u>10,235,621</u>	<u>-</u>	<u>10,235,621</u>	<u>9,977,744</u>
Supporting services				
Management and general	4,203,728	-	4,203,728	2,646,143
Fundraising	<u>1,276,424</u>	<u>-</u>	<u>1,276,424</u>	<u>1,582,987</u>
<b>Total supporting services</b>	<u>5,480,152</u>	<u>-</u>	<u>5,480,152</u>	<u>4,229,130</u>
<b>Total expenses</b>	<u>15,715,773</u>	<u>-</u>	<u>15,715,773</u>	<u>14,206,874</u>
<b>Surplus/(deficit) of revenue over expenses</b>	(113,874)	166,647	52,773	(1,379,696)
<b>OTHER CHANGES</b>				
Foreign currency loss	<u>32,659</u>	<u>-</u>	<u>32,659</u>	<u>(87,980)</u>
<b>Change in net assets</b>	(81,215)	166,647	85,432	(1,467,676)
<b>NET ASSETS</b>				
Beginning of year	<u>(76,604)</u>	<u>1,518,714</u>	<u>1,442,110</u>	<u>2,909,786</u>
<b>End of year</b>	<u>\$ (157,819)</u>	<u>\$ 1,685,361</u>	<u>\$ 1,527,542</u>	<u>\$ 1,442,110</u>

# HelpMeSee, Inc.

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	<u>Training Cataract Specialists And Supporting Practice Readiness</u>	<u>Public Awareness</u>	<u>Total Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>2017 Total Expense</u>
Salaries	\$ 2,579,988	\$ 442,334	\$ 3,022,322	\$ 356,803	\$ 558,545	\$ 3,937,670
Benefits and related payroll expenses	<u>416,007</u>	<u>64,733</u>	<u>480,740</u>	<u>57,532</u>	<u>96,653</u>	<u>634,925</u>
<b>Total salaries and related costs</b>	2,995,995	507,067	3,503,062	414,335	655,198	4,572,595
Program grants/costs						
Surgeries and surgical kits	359,115	-	359,115	-	-	359,115
Simulator Development	3,215,339	-	3,215,339	-	-	3,215,339
Donated professional services and office expenses	1,078	-	1,078	-	-	1,078
Professional services	861,094	317,318	1,178,412	3,690,741	230,881	5,100,034
Printing and postage	135,128	79,285	214,413	476	126,884	341,773
Travel and meetings	329,075	73,469	402,544	10,703	32,621	445,868
Office expenses	663,817	44,015	707,832	50,502	94,982	853,316
Advertising and promotion	3,855	57,625	61,480	95	14,196	75,771
IT and Web	300,545	43,066	343,611	21,646	63,421	428,678
Interest expense	43,356	-	43,356	5,419	5,419	54,194
Miscellaneous expense	109,371	28,717	138,088	7,261	45,486	190,835
Depreciation expense	<u>63,938</u>	<u>3,353</u>	<u>67,291</u>	<u>2,550</u>	<u>7,336</u>	<u>77,177</u>
<b>Total expenses</b>	<u>\$ 9,081,706</u>	<u>\$ 1,153,915</u>	<u>\$ 10,235,621</u>	<u>\$ 4,203,728</u>	<u>\$ 1,276,424</u>	<u>\$ 15,715,773</u>

# HelpMeSee, Inc.

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

	<u>Training Cataract Specialists And Supporting Practice Readiness</u>	<u>Public Awareness</u>	<u>Total Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>2016 Total Expense</u>
Salaries	\$ 2,198,271	\$ 499,846	\$ 2,698,117	\$ 425,251	\$ 846,836	\$ 3,970,204
Benefits and related payroll expenses	<u>363,851</u>	<u>82,733</u>	<u>446,584</u>	<u>70,386</u>	<u>140,165</u>	<u>657,135</u>
<b>Total salaries and related costs</b>	2,562,122	582,579	3,144,701	495,637	987,001	4,627,339
Program grants/costs						
Surgeries and surgical kits	938,695	-	938,695	-	-	938,695
Simulator Development	1,880,668	-	1,880,668	-	-	1,880,668
Donated professional services and office expenses	15,214	2,102	17,316	560	2,102	19,978
Professional services	960,840	869,314	1,830,154	2,012,475	84,743	3,927,372
Printing and postage	60,393	119,287	179,680	1,838	194,285	375,803
Travel and meetings	427,720	102,320	530,040	24,548	54,044	608,632
Office expenses	575,251	41,463	616,714	58,196	90,982	765,892
Advertising and promotion	25,437	75,439	100,876	2,601	16,836	120,313
IT and Web	480,013	56,455	536,468	36,825	84,752	658,045
Interest expense	6,109	-	6,109	764	764	7,637
Miscellaneous expense	114,031	32,431	146,462	7,476	55,539	209,477
Depreciation expense	<u>45,384</u>	<u>4,477</u>	<u>49,861</u>	<u>5,223</u>	<u>11,939</u>	<u>67,023</u>
<b>Total expenses</b>	<u>\$ 8,091,877</u>	<u>\$ 1,885,867</u>	<u>\$ 9,977,744</u>	<u>\$ 2,646,143</u>	<u>\$ 1,582,987</u>	<u>\$ 14,206,874</u>

# HelpMeSee, Inc.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 85,432	\$ (1,467,676)
<i>Adjustments to reconcile change in net assets to Net cash provided by operating activities:</i>		
Depreciation	77,177	67,023
Contributed fixed assets	(297,850)	-
Forgiveness of debt	(3,929,092)	-
(Increase)/decrease in assets:		
Accounts receivable	619,280	(435,599)
Pledges receivable	131,349	350,629
Prepaid expenses	19,767	71,061
Inventory	(477,264)	-
Other assets	3,619	(146,901)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	<u>2,622,563</u>	<u>100,624</u>
<b>Net cash used for operating activities</b>	<u>(1,145,019)</u>	<u>(1,460,839)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of furniture, equipment and capital expenses	<u>(1,253,532)</u>	<u>(681,072)</u>
<b>Net cash used for investment activities</b>	<u>(1,253,532)</u>	<u>(681,072)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowing on line of credit	2,000,000	1,250,000
Repayment of note payable	<u>-</u>	<u>(3,000,000)</u>
<b>Net cash provided by (used for) financing activities</b>	<u>2,000,000</u>	<u>(1,750,000)</u>
<b>Net decrease in cash and cash equivalents</b>	(398,551)	(3,891,911)
<b>CASH</b>		
Beginning of year	<u>1,673,779</u>	<u>5,565,690</u>
End of year	<u>\$ 1,275,228</u>	<u>\$ 1,673,779</u>



# HelpMeSee, Inc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

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### (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 CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017

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HelpMeSee, based out of New York, currently has three international offices; Hong Kong, China and India. The operations of these offices are included in the financial statements. HelpMeSee also is registered in the Netherlands, Singapore and Brazil.

### ***BASIS OF PRESENTATION***

The financial statements include the accounts of the Organization; its branch offices in China and India, and its controlled organizations (through the Board of Directors and economic interest) in Hong Kong, India and the Netherlands.

The financial statements are presented in U.S. dollars. The financial records of these branch offices and controlled organizations are kept in local currencies. Assets, liabilities and net assets are translated at year-end rates of exchange and revenue and expenses are translated using the month end exchange rates supplied by an independent source. Significant intercompany transactions have been eliminated in the consolidation.

### ***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.

### ***INVENTORY***

Inventory, which consists of MSICS surgical kits, is carried at the lower of cost or market, using the first-in, first-out valuation method.

### ***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.

# HelpMeSee, Inc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017

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### **CONTRIBUTIONS**

Unrestricted contributions receivable is 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.

In 2017, the Organization took possession of two donated simulators with a value of \$297,850. The Organization also received donated legal, consulting and other services with an estimated fair value of \$1,078 and \$19,978 for the years ended December 31, 2017 and 2016, respectively. These items are reflected as Contributions In-Kind in the accompanying statement of activities and changes in net assets.

### **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. In 2017, the Organization retitled its program services and as a result, the 2016 functional expenses were reclassified into the new titled program services.

### **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 2014 - 2016 or expected to be taken on the Organization's 2017 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

### **PRIOR YEAR INFORMATION**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2016, from which the summarized information was derived.

# HelpMeSee, Inc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017

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### (2) PLEDGES RECEIVABLE

Pledges receivable are due as follows at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Receivable in one year	\$ 23,500	\$ 160,349
Receivable in one to five years	31,500	30,000
Receivable in five to ten years	<u>4,000</u>	<u>-</u>
Total pledges receivable	<u>\$ 59,000</u>	<u>\$ 190,349</u>

### (3) FURNITURE, EQUIPMENT AND CAPITAL EXPENSES

At December 31, 2017 and 2016, furniture and equipment consists of the following:

	<u>2017</u>	<u>2016</u>
Office furniture	\$ 32,670	\$ 31,627
Office equipment	127,689	124,217
Leasehold improvements	278,361	278,360
Simulators	1,489,250	426,130
Computers	<u>43,708</u>	<u>41,446</u>
	1,971,678	901,780
Less: accumulated depreciation and amortization	<u>269,216</u>	<u>192,039</u>
	<u>1,702,462</u>	<u>709,741</u>
Development		
Courseware	<u>1,855,301</u>	<u>1,373,817</u>
	<u>1,855,301</u>	<u>1,373,817</u>
	<u>\$ 3,557,763</u>	<u>\$ 2,083,558</u>

Depreciation expense for the years ended December 31, 2017 and 2016 totaled \$77,177 and \$67,023, respectively.

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.

# HelpMeSee, Inc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017

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Research and development costs related to the design, development and production of the prototype model are being expensed as incurred. During the year ended December 31, 2017, the Organization capitalized ten simulators to be used for training at a cost of \$1,489,250. Research and development costs of \$3,215,339 and \$1,880,668 were expensed in 2017 and 2016, respectively.

### (4) 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 .45% over the LIBOR 30-day Index Rate.

During 2017, the Foundations converted the balance of the outstanding debt, including interest, totaling \$3,929,092, to an unrestricted contribution.

### (5) NET ASSETS

#### *TEMPORARILY RESTRICTED NET ASSETS*

Temporarily restricted net assets at December 31, 2017 are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Cataract surgeries restricted to India	\$ -	\$ 302,759
Cataract surgeries restricted to other regions	1,512,310	1,175,955
Training	143,051	-
Time Restricted	<u>30,000</u>	<u>40,000</u>
Total	<u>\$ 1,685,361</u>	<u>\$ 1,518,714</u>

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

	<u>2017</u>
Cataract surgeries restricted to India	\$ 235,407
Cataract surgeries restricted to other regions	113,855
Time Restricted	<u>10,000</u>
Total	<u>\$ 359,262</u>

HelpMeSee surgical partners performed 11,789 surgeries in 2017 and 22,016 surgeries in 2016. 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, 2017 and 2016, the Organization received contributions from two foundations in the amount of \$14,069,741 and \$10,577,550, respectively, which represents 89% and 83% of the Organization's total revenue. These two foundations also have provided the Organization with a line-of-credit (*See Note 4*).

# HelpMeSee, Inc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

December 31, 2017

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### (7) LEASE COMMITMENTS

The Organization has leases for office space, which expire through February 2023, for its New York, Hong Kong, China and India offices.

Rent expense for the years ended December 31, 2017 and 2016 was \$633,028 and \$531,010, respectively.

Future minimum rental commitments under these leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 507,032
2019	435,756
2020	326,973
2021	313,146
2022	320,975
2023	<u>26,802</u>
	<u>\$ 1,930,684</u>

### (8) 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. On October 13, 2016, an arbitrator issued a partial final award in which Wonderwork was found to be in substantial breach of its agreement with the Organization, and ordering Wonderwork to pay the Organization substantial damages and interest. On December 2, 2016, judgement was entered against Wonderwork to include an additional award for interest, costs and disbursements. On December 21, 2016, the arbitrator issued a final award for attorney fees and costs. The total amount of the award is \$16,054,348. On December 29, 2016, Wonderworks filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, which is currently pending before the U.S. Bankruptcy Court for the Southern District of New York. As such, potential receipts awarded on the judgement are not able to be determined. For the years ended December 31, 2017 and 2016, the Organization incurred legal expenses of \$3,653,201 and \$1,955,621, respectively. The legal expenses, 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.

### (9) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, July 31, 2018, have been evaluated in the preparation of the financial statements.