

# **HelpMeSee, Inc.**

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

**DECEMBER 31, 2011**

# 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 statement of financial position of HelpMeSee, Inc. (the “*Organization*”) as of December 31, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization’s management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the changes in its net assets and its cash flows for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

*Tait, Weller & Baker LLP*

**Philadelphia, Pennsylvania  
September 4, 2012**

# HelpMeSee, Inc.

## STATEMENTS OF FINANCIAL POSITION

December 31, 2011

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### ASSETS

#### ASSETS

Cash and cash equivalents	\$ 555,090
Investments ( <i>Note 2</i> )	688,530
Equipment, net ( <i>Note 3</i> )	<u>374,084</u>
<b>Total assets</b>	<b><u>\$1,617,704</u></b>

### LIABILITIES AND NET ASSETS

#### LIABILITIES

Accounts and accrued expenses payable	\$ 113,481
Letter of Credit ( <i>Note 5</i> )	<u>610,000</u>
<b>Total liabilities</b>	<b><u>723,481</u></b>

#### NET ASSETS

Unrestricted	
Undesignated	748,933
Designated ( <i>Note 6</i> )	<u>145,290</u>
<b>Total net assets</b>	<b><u>894,223</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$1,617,704</u></b>

# HelpMeSee, Inc.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2011

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### PUBLIC SUPPORT

Individuals	\$ 196,568
Corporations	2,500
Foundations (Note 4)	2,838,981
In-Kind contributions	38,272
Investment income (loss)	<u>(3,414)</u>
<b>Total revenue and other support</b>	<b><u>3,072,907</u></b>

### EXPENSES

Program services	
Technical assistance	269,358
Surgical training and quality assurance	287,395
Assistance for cataract surgeries	105,877
Public awareness	<u>677,514</u>
<b>Total program services</b>	<b><u>1,340,144</u></b>
Supporting services	
Management and general	90,997
Fundraising	<u>533,574</u>
<b>Total supporting services</b>	<b><u>624,571</u></b>
<b>Total expenses</b>	<b><u>1,964,715</u></b>
<b>Change in net assets</b>	<b>1,108,192</b>

### NET ASSETS

Beginning of year	<u>(213,969)</u>
<b>End of year</b>	<b><u>\$ 894,223</u></b>

# HelpMeSee, Inc.

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2011

	<u>Technical Assistance</u>	<u>Surgical Training And Quality Assurance</u>	<u>Assistance With Cataract Surgeries</u>	<u>Public Awareness</u>	<u>Total Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>2011 Total Expense</u>
Salaries	\$ 241,778	\$ 85,167	\$ 37,852	\$ 9,463	\$ 374,260	\$ 63,086	\$ 63,086	\$ 500,432
Benefits and related payroll expenses	<u>10,513</u>	<u>14,776</u>	<u>6,567</u>	<u>1,642</u>	<u>33,498</u>	<u>10,945</u>	<u>10,945</u>	<u>55,388</u>
<b>Total salaries and related costs</b>	252,291	99,943	44,419	11,105	407,758	74,031	74,031	555,820
Program grants	-	2,500	39,151	-	41,651	-	-	41,651
Donated professional services and office expenses	6,889	10,333	4,593	1,148	22,963	7,655	7,654	38,272
Professional services	1,109	136,664	10,739	463,563	612,075	1,232	310,152	923,459
Printing and postage	213	320	143	166,799	167,475	237	111,413	279,125
Travel and meetings	3,810	3,017	3,468	335	10,630	2,235	2,234	15,099
Office expenses	2,273	3,410	1,515	379	7,577	2,525	2,526	12,628
Advertising and promotion	-	-	-	33,229	33,229	-	22,153	55,382
Website expense	32	24,849	22	329	25,232	36	252	25,520
Interest expense	421	631	280	70	1,402	468	468	2,338
Miscellaneous expense	1,630	4,693	1,087	442	7,852	1,811	1,924	11,587
Depreciation expense	<u>690</u>	<u>1,035</u>	<u>460</u>	<u>115</u>	<u>2,300</u>	<u>767</u>	<u>767</u>	<u>3,834</u>
<b>Total expenses</b>	<u>\$ 269,358</u>	<u>\$ 287,395</u>	<u>\$ 105,877</u>	<u>\$ 677,514</u>	<u>\$ 1,340,144</u>	<u>\$ 90,997</u>	<u>\$ 533,574</u>	<u>\$ 1,964,715</u>

# HelpMeSee, Inc.

## STATEMENTS OF CASH FLOWS

Year ended December 31, 2011

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### CASH FLOWS FROM OPERATING ACTIVITIES

<i>Change in net assets</i>	\$ 1,108,192
<i>Adjustments to reconcile change in net assets to Net cash provided by operating activities:</i>	
Unrealized loss on investments	3,420
Depreciation	3,834
Increase in liabilities:	
Accounts payable and accrued expenses	<u>72,725</u>
<b>Net cash provided by operating activities</b>	<u>1,188,171</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(691,950)
Equipment	<u>(365,816)</u>
<b>Net cash used for investment activities</b>	<u>(1,057,766)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from line of credit	<u>390,000</u>
<b>Net cash from financing activities</b>	<u>390,000</u>
<b>Net increase in cash and cash equivalents</b>	520,405

### CASH

Beginning of year	<u>34,685</u>
End of year	<u>\$ 555,090</u>

# HelpMeSee, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***ORGANIZATION AND PURPOSE***

HelpMeSee, Inc., (the “***Organization***”) is a global initiative for the elimination of cataract blindness. The proposition is to address the critical need for the training of cataract surgeons in Manual Small Incision Cataract Surgery (MSICS) to work in developing regions. Access to cataract surgery is a major barrier to managing sight loss in the developing world. The new initiative will develop advanced level “D” surgical simulators and “ab initio” courseware to train 30,000 cataract surgeons worldwide in 10 years beginning in 2015 and to deliver 60 million cataract surgeries by 2025. HelpMeSee’s specific goals are:

- To provide surgical cost support for adult and child cataract surgeries for the poor at \$35 per eye for an adult and \$300 per eye for a child.
- To train cataract specialists in MSICS in order to significantly reduce the worldwide cataract blindness backlog through high fidelity simulation coupled with advanced standardized objective based curriculum and courseware.
- To provide educational, technical, and financial support for 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 is patient-centered.
- To engage in policy dialogue and development of cataract surgical services and patient care management standards and systems with partners, governments and corporations for sustainable solutions for the elimination of needless cataract blindness.
- To mobilize financial, material and volunteer resources to achieve the goal of eliminating cataract blindness worldwide.

#### ***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.

#### ***SUBSEQUENT EVENTS***

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, September 4, 2012, have been evaluated in the preparation of the financial statements.

#### ***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.



# HelpMeSee, Inc.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2011

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### **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.

### **FIXED ASSETS**

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 five years.

### **CONTRIBUTIONS**

Unconditional 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. When material, the discount on these amounts is computed using interest rates commensurate with the risk involved.

### **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.”***

### **CONTRIBUTIONS IN-KIND**

Office space for the New York, New York office and office space and furniture for the Denver, Colorado office were donated to the Organization. The estimated fair value of these donations is \$38,272 for the year ended December 31, 2011. These items are reflected as Contributions In-Kind in the accompanying statement of activities and changes in net assets.

# HelpMeSee, Inc.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2011

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### *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 year 2010 or expected to be taken on the Organization's 2011 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

## (2) INVESTMENTS

The following is a summary of the Organization's investments at December 31, 2011.

	<u>2011</u>	
	<u>Cost</u>	<u>Market</u>
Stocks	<u>\$691,950</u>	<u>\$688,530</u>

At December 31, 2011, unrealized losses were \$3,420.

The Organization utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Organization's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

# HelpMeSee, Inc.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2011

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The summary of inputs used to value the Organization's investments as of December 31, 2011 is follows:

	<u>2011</u>			
		<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Stocks	<u>\$688,530</u>	<u>\$688,530</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers between Level 1 and 2 during the year ended December 31, 2011.

### (3) EQUIPMENT

At December 31, 2011, equipment consists of the following:

Office equipment	\$ 23,002
Construction-in-progress – simulator development	<u>354,916</u>
	377,918
Less: accumulated depreciation and amortization	<u>3,834</u>
	<u>\$374,084</u>

The Organization is designing, developing and manufacturing 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

This is combined with Instructor Based Training (IBT), Computer Based Training (CBT) and Simulator Based Training (SBT) instructional curriculum and learning management systems.

The Organization is confident that technology and data exists, or can be developed to produce a MSICS simulator with the high fidelity and realism required to meet its goals.

# HelpMeSee, Inc.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2011

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### (4) CONCENTRATIONS

For the year ended December 31, 2011, the Organization received contributions from two Foundations in the amount of \$2,788,530, which represents 91% of the Organization's total revenue. Contributions from Foundations were received from the following Foundations:

Albert Ueltschi Foundation	\$2,373,775
James T. Ueltschi Foundation	414,755
Other Foundation Gifts	<u>50,451</u>
	<u>\$2,838,981</u>

### (5) LINE-OF-CREDIT

In 2010, the Organization received a line of credit from Albert L. Ueltschi and James T. Ueltschi, and their Foundations towards start-up costs. The total amount of funds available under the line-of-credit is \$5,000,000. The line of credit has 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, 2011, the Organization has drawn down \$610,000 of the funds available.

The Organization incurred interest expense of \$2,338 for the year ended December 31, 2011.

### (6) NET ASSETS

An anonymous donor has pledged to match all individual contributions received by the organization so that the contributions received by individuals can be used directly to pay for cataract surgeries. As a result, contributions received from individuals are designated by the Board for cataract surgeries. During the year ended December 31, 2011, \$51,278 of contributions were used for these surgeries. As of December 31, 2011, \$145,290 has been designated for future surgeries. The matching contributions will be used to repay the Organization's line-of-credit (see Note 5) and for its general operating expenses.

### (7) JOINT COSTS

For the year ended December 31, 2011, the Organization incurred joint costs of \$1,106,443 for informational materials and activities that included fund-raising appeals. For the year ended December 31, 2011, these joint costs were allocated as follows:

Fundraising	\$ 442,577
Public Awareness	<u>663,866</u>
	<u>\$1,106,443</u>