



HelpMeSee
Helping the blind see.



**2012 FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT
CERTIFIED PUBLIC
ACCOUNTANTS**

CAMPAIGN TO ELIMINATE CATARACT BLINDNESS

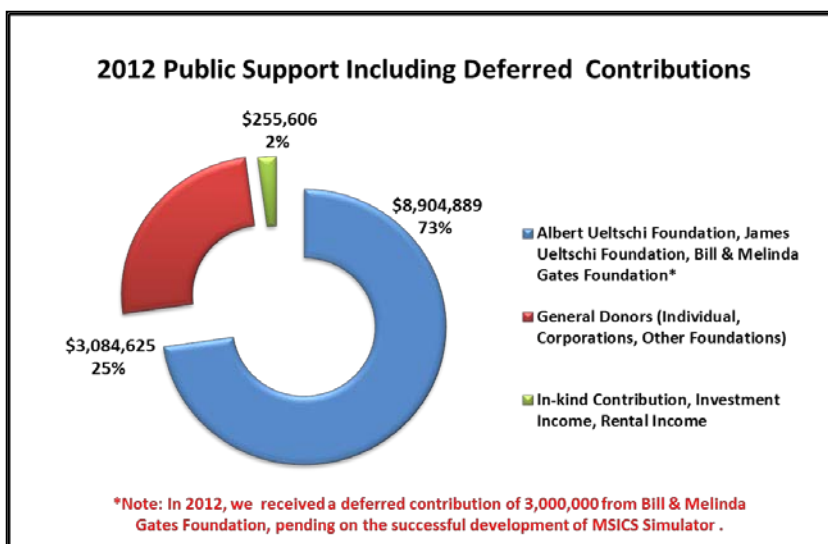
EXECUTIVE FINANCIAL SUMMARY – 2012

According to the World Health Organization (WHO), untreated cataract is by far the leading cause of blindness, making up 51% of all cases globally. Approximately 20 million people are bilaterally blind due to cataract, and an estimated 167 million suffer from cataract visual impairment. The vast majority of these people live in developing countries, where a lack of access to high-quality service prevents them from undergoing a simple surgery that could restore their vision. According to a recently published Rand Health study, cataract blindness will increase to 32 million by 2020, costing the world GDP about \$1 trillion each year.

To address this global health crisis, HelpMeSee was founded in 2010 with the goal of making the miracle of sight possible for every blind child and adult in the world. Our goal is to deliver very low cost, high-quality Manual Small Incision Cataract Surgeries (MSICS) to millions of adults and children in the developing world. Working with 93 practicing partner MSIC surgeons in China, India, Nepal, Nigeria, Sierra Leone and Togo, HelpMeSee has saved or restored sight to 63,318* people. HelpMeSee anticipates surpassing 100,000 surgeries by the end of 2013.

Building on this record of success, HelpMeSee plans to increase our work exponentially over the next five years. Once the simulator is in operation, we will expand our reach to additional countries throughout Africa, Asia, and Latin America. HelpMeSee will train 1,680 MSICS specialists by 2017, enabling them to perform 1 million surgical procedures with HelpMeSee support. By 2030, we expect to train a total of 30,000 MSIC-dedicated surgeons and deliver 60 million surgeries.

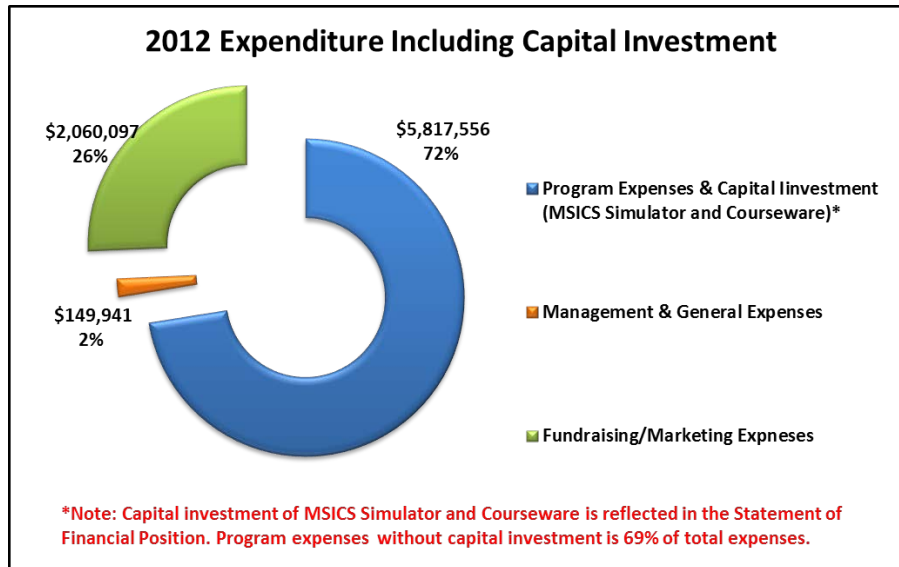
Allocation of Public Support Donations



HelpMeSee aims to provide the public sector with an efficient and transparent business model of achieving its goals and making sure that each donor fully understands how their contributions are being allocated. As of December 2012, 100% of contributions from general donors – individual donors, corporations and other foundations – are allocated directly to the delivery of

surgeries. In the long run, HelpMeSee is in a position of directing 95% of every dollar donated from general donors toward sight-saving cataract surgery through our partner network.

This vision and model, which has been afforded to us through the generosity and vision of the Ueltschi Family Foundation and the Bill & Melinda Gates Foundation, offers HelpMeSee a unique position. It enables HelpMeSee to separate its general and administrative expenses, working capital and capital expenditures to build MSICS simulators and courseware away from



general donations contributed by individual donors, corporations and other foundations. This means that the money received from YOU goes directly to the frontlines of eliminating avoidable blindness due to cataracts, not toward administrative salaries, building technological infrastructure, or any other means that would

take away from our mission of restoring sight through MSCIS surgery.

In 2012, 72% of total expenses directly supported sight-saving projects in the developing world, including 3% of capital investment to develop the MSICS Simulator and Courseware, which will be used exclusively for the delivery of cataract surgery and training programs. By the end of 2015, when the Simulator and Simulator Courseware are complete, HelpMeSee expects its program expenses expenditure to increase to at least 78%.

Economic Impact

As mentioned above, in addition to the tragic human consequences, cataract blindness has a devastating impact on the economies of developing countries through the loss of productivity. By saving or restoring the vision of millions of people, HelpMeSee will provide an immediate and long-lasting benefit to these economies. The Rand Health Study estimates that HelpMeSee’s efforts will add between \$18 billion and \$52 billion to the economies of developing countries by 2030.

In addition, HelpMeSee is delivering its sight-saving programs in an extremely cost-effective manner, ensuring that the support of our donors improves the lives of as many people as possible. Based on detailed, global cost analysis, the fully-burdened cost of the MSICS procedure has been calculated at \$67.50 for one adult and \$377.50 for one child, compared with \$3,000 per surgery in the United States. The HelpMeSee share in this cost is \$50 per adult and \$350 per child. The remaining costs are expected to be distributed by the patients or raised through local charitable contributions.

Join the HelpMeSee Mission

In order to achieve the ambitious goals, HelpMeSee is actively seeking contributions from donors who share our vision of a world in which no one is needlessly blind due to cataracts. We invite you to join us in our mission. Together, we can eliminate cataract as a cause of blindness.

*(See website ticker for up-to-date surgery numbers – www.helpmeseesee.org)

HelpMeSee, Inc.

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

DECEMBER 31, 2012

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, 2012 and 2011 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, 2012 and 2011, 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.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
April 26, 2013**

HelpMeSee, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 And 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 4,016,272	\$ 555,090
Investments (<i>Note 2</i>)	1,608,720	688,530
Furniture, equipment and capital expenses, net (<i>Note 3</i>)	1,401,271	374,084
Accounts receivable	5,542	-
Prepaid expenses	132,748	-
Other assets	<u>18,120</u>	<u>-</u>
Total assets	<u>\$ 7,182,673</u>	<u>\$ 1,617,704</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts and accrued expenses payable	\$ 459,132	\$ 113,481
Letter of Credit (<i>Note 4</i>)	610,000	610,000
Non-interest note payable (<i>Note 5</i>)	<u>3,000,000</u>	<u>-</u>
Total liabilities	<u>4,069,132</u>	<u>723,481</u>
NET ASSETS		
Unrestricted		
Undesignated	1,283,431	721,156
Designated (<i>Note 6</i>)	<u>1,830,110</u>	<u>173,068</u>
Total net assets	<u>3,113,541</u>	<u>894,223</u>
Total liabilities and net assets	<u>\$ 7,182,673</u>	<u>\$ 1,617,704</u>

HelpMeSee, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2012 And 2011

	<u>2012</u>	<u>2011</u>
PUBLIC SUPPORT		
Individuals	\$ 2,760,467	\$ 196,568
Corporations	6,315	2,500
Foundations (<i>Note 7</i>)	6,222,732	2,838,981
In-Kind contributions	61,977	38,272
Investment income (loss) (<i>Note 2</i>)	188,088	(3,414)
Rental income	<u>5,541</u>	<u>-</u>
Total revenue and other support	<u>9,245,120</u>	<u>3,072,907</u>
EXPENSES		
Program services		
Technical assistance	365,614	287,509
Surgical training and quality assurance	211,715	284,895
Cataract surgeries	1,350,708	90,226
Public awareness	<u>2,887,727</u>	<u>677,514</u>
Total program services	<u>4,815,764</u>	<u>1,340,144</u>
Supporting services		
Management and general	149,941	90,997
Fundraising	<u>2,060,097</u>	<u>533,574</u>
Total supporting services	<u>2,210,038</u>	<u>624,571</u>
Total expenses	<u>7,025,802</u>	<u>1,964,715</u>
Change in net assets	2,219,318	1,108,192
NET ASSETS		
Beginning of year	<u>894,223</u>	<u>(213,969)</u>
End of year	<u>\$ 3,113,541</u>	<u>\$ 894,223</u>

HelpMeSee, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2012

	<u>Technical Assistance</u>	<u>Surgical Training And Quality Assurance</u>	<u>Cataract Surgeries</u>	<u>Public Awareness</u>	<u>Total Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>2012 Total Expense</u>
Salaries	\$ 266,218	\$ 125,985	\$ 54,145	\$ 18,686	\$ 465,034	\$ 90,242	\$ 93,675	\$ 648,951
Benefits and related payroll expenses	<u>9,383</u>	<u>13,346</u>	<u>5,931</u>	<u>1,483</u>	<u>30,143</u>	<u>9,886</u>	<u>9,886</u>	<u>49,915</u>
Total salaries and related costs	275,601	139,331	60,076	20,169	495,177	100,128	103,561	698,866
Program grants								
Surgeries	-	-	1,103,425	-	1,103,425	-	-	1,103,425
Surgical Practice Support Grants	21,502	-	-	-	21,502	-	-	21,502
Donated professional services and office expenses	10,783	16,174	7,804	1,797	36,558	11,981	11,981	60,520
Professional services	25,091	26,874	139,721	1,169,980	1,361,666	16,707	795,023	2,173,396
Printing and postage	638	957	766	1,672,139	1,674,500	709	1,115,397	2,790,606
Travel and meetings	14,505	1,321	24,716	1,861	42,403	979	2,120	45,502
Office expenses	3,601	5,402	2,768	907	12,678	4,001	4,206	20,885
Advertising and promotion	-	-	-	5,589	5,589	-	3,726	9,315
Website expense	7,513	12,086	6,172	13,781	39,552	8,347	16,700	64,599
Interest expense	421	631	281	70	1,403	468	468	2,339
Miscellaneous expense	3,582	5,373	3,394	1,038	13,387	3,980	4,274	21,641
Depreciation expense	<u>2,377</u>	<u>3,566</u>	<u>1,585</u>	<u>396</u>	<u>7,924</u>	<u>2,641</u>	<u>2,641</u>	<u>13,206</u>
Total expenses	<u>\$ 365,614</u>	<u>\$ 211,715</u>	<u>\$ 1,350,708</u>	<u>\$ 2,887,727</u>	<u>\$ 4,815,764</u>	<u>\$ 149,941</u>	<u>\$ 2,060,097</u>	<u>\$ 7,025,802</u>

HelpMeSee, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2011

	<u>Technical Assistance</u>	<u>Surgical Training And Quality Assurance</u>	<u>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>
Total salaries and related costs	252,291	99,943	44,419	11,105	407,758	74,031	74,031	555,820
Program grants								
Surgeries	-	-	23,500	-	23,500	-	-	23,500
Surgical Practice Support Grants	18,151	-	-	-	18,151	-	-	18,151
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>
Total expenses	<u>\$ 287,509</u>	<u>\$ 284,895</u>	<u>\$ 90,226</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

Years Ended December 31, 2012 And 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 2,219,318	\$ 1,108,192
<i>Adjustments to reconcile change in net assets to Net cash provided by operating activities:</i>		
Realized and unrealized (gain) loss on investments	(188,013)	3,420
Depreciation	13,206	3,834
Contributions of donated stock	(2,701,889)	(691,950)
Increase in assets:		
Prepaid expenses	(132,748)	-
Other assets	(18,120)	-
Accounts receivable	(5,542)	-
Increase in liabilities:		
Accounts payable and accrued expenses	<u>345,651</u>	<u>72,725</u>
Net cash provided by operating activities	<u>(468,137)</u>	<u>496,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,969,712	-
Purchase of furniture and equipment and intangible costs	<u>(1,040,393)</u>	<u>(365,816)</u>
Net cash used for investment activities	<u>929,319</u>	<u>(365,816)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	-	390,000
Proceeds from non-interest note	<u>3,000,000</u>	<u>-</u>
Net cash provided by financing activities	<u>3,000,000</u>	<u>390,000</u>
Net increase in cash and cash equivalents	3,461,182	520,405
CASH		
Beginning of year	<u>555,090</u>	<u>34,685</u>
End of year	<u>\$ 4,016,272</u>	<u>\$ 555,090</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

HelpMeSee, Inc., (the “***Organization***”) is a global campaign to eliminate cataract blindness in the developing world where over 20 million people are afflicted. The centerpiece of the HelpMeSee strategy is to increase surgical access caused by the critical shortage of well-trained and skilled cataract surgeons. Manual Small Incision Cataract Surgery (MSICS) is a highly effective and very low cost lens replacement procedure well suited to the developing world. HelpMeSee’s goal is to train 30,000 MSICS specialists to perform 60 million surgeries by 2025. HelpMeSee’s specific goals are:

- To provide surgical cost support for adult and child cataract surgeries for the poor at the highest quality and the lowest possible costs.
- 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.

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.

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2012

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 five years. Capital expenses relate to the research and development of a prototype virtual reality simulator and are capitalized at cost based upon management's expectations of such research and development to have future alternative uses. The related coursework, Manual Small Incision Cataract Surgery, is capitalized at cost of development. Both the simulator and coursework are in the development stage.

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. 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 as well as donated legal and other services. The estimated fair value of these donations is \$61,977 and \$38,272 for the years ended December 31, 2012 and 2011, respectively. Donated office space for the New York office ended in November 2012, while donated office space for the Denver office ended in July 2012. 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, 2012

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 2012 or expected to be taken on the Organization's 2013 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 2011 financial statements to conform to the 2012 presentation.

(2) INVESTMENTS

Investments at December 31, 2012 and 2011 are summarized as follows:

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Stocks	<u>\$ 1,552,994</u>	<u>\$ 1,608,720</u>	<u>\$ 691,950</u>	<u>\$ 688,530</u>

Investments at December 31, 2012 and 2011 had unrealized losses gains/(losses) \$55,726 and \$(3,420), respectively.

Investment income is comprised of the following:

	<u>2012</u>	<u>2011</u>
Unrealized gain (loss), beginning of year	\$ (3,420)	\$ -
Unrealized gain (loss), end of year	<u>55,726</u>	<u>(3,420)</u>
Unrealized gain (loss)	59,146	(3,420)
Realized gain	128,867	-
Interest income	<u>75</u>	<u>6</u>
Total investment income (loss)	<u>\$ 188,088</u>	<u>\$ (3,414)</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2012

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.

The summary of inputs used to value the Organization's investments as of December 31, 2012 and 2011 is as follows:

<u>Investments</u>	<u>2012</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Stocks	<u>\$1,608,720</u>	<u>\$160,720</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investments</u>	<u>2011</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</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, 2012.

(3) FURNITURE, EQUIPMENT AND CAPITAL EXPENSES

At December 31, 2012, furniture and equipment consists of the following:

	<u>2012</u>	<u>2011</u>
Office furniture	\$ 16,720	\$ -
Office equipment	<u>44,883</u>	<u>23,002</u>
	61,603	23,002
Less: accumulated depreciation and amortization	<u>17,040</u>	<u>3,834</u>
	<u>44,563</u>	<u>19,168</u>
Development		
Simulator	844,875	168,739
Courseware	<u>511,833</u>	<u>186,177</u>
	<u>1,356,708</u>	<u>354,916</u>
	<u>\$ 1,401,271</u>	<u>\$ 374,084</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2012

Depreciation expense for the years ended December 31, 2012 and 2011 totaled \$13,206 and \$3,834, respectively.

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.

During 2012, the Organization successfully developed 2 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.

(4) 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 7*). As of December 31, 2012, the Organization has drawn down \$610,000 of the funds available.

The Organization incurred interest expense of \$4,676 and \$2,338 for the years ended December 31, 2012 and 2011, respectively.

(5) NON-INTEREST NOTE PAYABLE

In connection with the Organization's objective to train many 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 in 2012. 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, 2012

(6) NET ASSETS

For 2012 and 2011, two donors pledged to match all individual contributions received by the organization so that the contributions received from 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, 2012, \$1,103,425 of contributions were used for these surgeries. As of December 31, 2012, \$1,830,110 has been designated for future surgeries. These designated net assets are expected to be expended on surgeries in 2013. The matching contributions will be used to repay the Organization's line-of-credit (*See Note 4*) and to be used for general operating expenses.

During the reporting year 64 HelpMeSee surgical partners performed 29,134 surgeries. 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.

(7) CONCENTRATIONS

For the years ended December 31, 2012 and 2011, the Organization received contributions from two Foundations in the amount of \$5,904,889 and \$2,788,530, respectively, which represents 96% and 91% of the Organization's total revenue. Contributions from Foundations were received from the following Foundations as of December 31:

	<u>2012</u>	<u>2011</u>
Albert Ueltschi Foundation	\$ 3,203,000	\$ 2,373,775
James T. Ueltschi Foundation	2,701,889	414,755
Other Foundation Gifts	<u>317,843</u>	<u>50,451</u>
	<u>\$ 6,222,732</u>	<u>\$ 2,838,981</u>

(8) JOINT COSTS

For the year ended December 31, 2012, the Organization incurred joint costs of \$4,925,394 for informational materials and activities that included fund-raising appeals. For the year ended December 31, 2012 and 2011, these joint costs were allocated as follows:

	<u>2012</u>	<u>2011</u>
Fundraising	\$ 1,970,158	\$ 442,577
Public Awareness	<u>2,955,236</u>	<u>663,866</u>
	<u>\$ 4,925,394</u>	<u>\$ 1,106,443</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2012

(9) LEASE COMMITMENTS

The Organization entered into a lease agreement for office space in New York, New York under an operating lease from November 22, 2012 through February 21, 2018. The Organization has an option to cancel the lease any time after the second year of full rent payment, subject to a payment for the landlord's unamortized expenses. The Organization incurred no rent expense prior to December 2012, as all office space was donated.

Future minimum rental commitments under this lease are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2013	\$ 99,500
2014	111,200
2015	113,900
2016	116,800
2017	119,700
2018	<u>10,200</u>
	<u>\$ 571,300</u>

(10) CONTINGENCY

The Organization had a fundraising agreement with an organization which provided direct mail appeal services. The Organization terminated the agreement as a result of the service provider being in breach of certain provisions of the agreement. The service provider had filed for a "Demand for Arbitration" and is seeking \$1.3 million which includes fees for early termination of the agreement. Management is of the opinion that the claim is without merit and will defend vigorously and pursue the claimant for amounts owed to the organization.

(11) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, April 26, 2013, have been evaluated in the preparation of the financial statements.



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