

HelpMeSee, Inc.

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

DECEMBER 31, 2014

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, 2014 and 2013 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

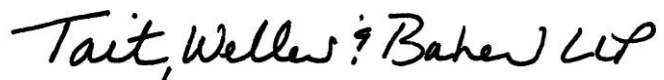
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2014 and 2013, 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
April 21, 2015

HelpMeSee, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31, 2014 And 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 1,956,196	\$ 2,427,408
Accounts receivable	195,911	34,630
Pledge receivable	6,312,146	9,082,645
Prepaid expenses	33,515	202,068
Furniture, equipment and capital expenses, net (<i>Note 2</i>)	1,041,578	626,127
Other assets	<u>126,866</u>	<u>18,120</u>
Total assets	<u>\$ 9,666,212</u>	<u>\$ 12,390,998</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts and accrued expenses payable	\$ 2,197,797	\$ 2,006,432
Line-of-Credit (<i>Note 3</i>)	610,000	4,610,000
Non-interest note payable (<i>Note 4</i>)	<u>3,000,000</u>	<u>3,000,000</u>
Total liabilities	<u>5,807,797</u>	<u>9,616,432</u>
NET ASSETS		
Unrestricted	2,551,893	2,774,566
Temporarily restricted (<i>Note 5</i>)	<u>1,306,522</u>	<u>-</u>
Total net assets	<u>3,858,415</u>	<u>2,774,566</u>
Total liabilities and net assets	<u>\$ 9,666,212</u>	<u>\$ 12,390,998</u>

HelpMeSee, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2014 And 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTALS</u>	
			<u>2014</u>	<u>2013</u>
PUBLIC SUPPORT				
Individuals	\$ 1,843,698	\$ -	\$ 1,843,698	\$ 2,716,240
Corporations	40,340	-	40,340	9,360
Foundations (<i>Note 6</i>)	15,941,824	-	15,941,824	11,088,255
International Contributions (<i>Note 6</i>)	6,783	1,569,770	1,576,553	82,645
In-Kind contributions	66,952	-	66,952	47,090
Investment income (loss)	2,690	-	2,690	327,714
Rental income	42,732	-	42,732	40,664
Miscellaneous income	18,051	-	18,051	-
Net assets released from restriction (<i>Note 5</i>)	<u>263,248</u>	<u>(263,248)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>18,226,318</u>	<u>1,306,522</u>	<u>19,532,840</u>	<u>14,311,968</u>
EXPENSES				
Program services				
Technical assistance	810,554	-	810,554	630,213
Surgical training and quality assurance	5,879,412	-	5,879,412	5,679,698
Cataract surgeries	4,246,083	-	4,246,083	3,513,101
Public awareness	<u>2,063,735</u>	<u>-</u>	<u>2,063,735</u>	<u>1,441,135</u>
Total program services	<u>12,999,784</u>	<u>-</u>	<u>12,999,784</u>	<u>11,264,147</u>
Supporting services				
Management and general	3,121,747	-	3,121,747	974,287
Fundraising	<u>2,327,460</u>	<u>-</u>	<u>2,327,460</u>	<u>2,412,509</u>
Total supporting services	<u>5,449,207</u>	<u>-</u>	<u>5,449,207</u>	<u>3,386,796</u>
Total expenses	<u>18,448,991</u>	<u>-</u>	<u>18,448,991</u>	<u>14,650,943</u>
Change in net assets	(222,673)	1,306,522	1,083,849	(338,975)
NET ASSETS				
Beginning of year	<u>2,774,566</u>	<u>-</u>	<u>2,774,566</u>	<u>3,113,541</u>
End of year	<u>\$ 2,551,893</u>	<u>\$1,306,522</u>	<u>\$ 3,858,415</u>	<u>\$ 2,774,566</u>

HelpMeSee, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2014

	<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>2014 Total Expense</u>
Salaries	\$ 532,451	\$ 334,241	\$ 492,633	\$ 237,800	\$ 1,597,125	\$ 327,041	\$ 425,639	\$ 2,349,805
Benefits and related payroll expenses	<u>34,994</u>	<u>52,313</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	567,445	386,554	568,577	239,415	1,761,991	416,007	446,816	2,624,814
Program grants/costs								
Surgeries	-	-	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	34,486	103,230	175,985	412,607	726,308	2,624,301	525,725	3,876,334
Printing and postage	4,457	7,157	21,063	584,900	617,577	1,312	1,041,135	1,660,024
Travel and meetings	107,356	96,497	303,574	34,017	541,444	6,036	40,053	587,533
Office expenses	59,067	91,654	143,702	7,896	302,319	24,389	32,286	358,994
Advertising and promotion	3,000	9,358	12,609	694,015	718,982	-	120,658	839,640
IT and Web	17,929	350,878	20,829	67,963	457,599	20,512	102,654	580,765
Interest expense	600	900	500	-	2,000	250	250	2,500
Miscellaneous expense	10,068	22,742	63,613	22,787	119,210	2,740	15,187	137,137
Depreciation expense	<u>6,146</u>	<u>9,219</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>\$ 810,554</u>	<u>\$ 5,879,412</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.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2013

	<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>2013 Total Expense</u>
Salaries	\$ 395,031	\$ 222,178	\$ 374,961	\$ 85,336	\$ 1,077,506	\$ 63,861	\$ 153,548	\$ 1,294,915
Benefits and related payroll expenses	<u>21,135</u>	<u>14,057</u>	<u>31,638</u>	<u>3,548</u>	<u>70,378</u>	<u>8,786</u>	<u>8,836</u>	<u>88,000</u>
Total salaries and related costs	416,166	236,235	406,599	88,884	1,147,884	72,647	162,384	1,382,915
Program grants/costs								
Surgeries	-	-	2,761,375	-	2,761,375	-	-	2,761,375
Simulator Development	-	5,303,445	-	-	5,303,445	-	-	5,303,445
Donated professional services and office expenses	-	-	-	-	-	47,090	-	47,090
Professional services	75,082	50,881	102,639	286,804	515,406	787,034	514,154	1,816,594
Printing and postage	3,222	1,871	4,210	899,488	908,791	1,169	1,599,428	2,509,388
Travel and meetings	48,894	24,212	114,112	12,593	199,811	6,754	16,645	223,210
Office expenses	42,080	29,427	65,513	8,772	145,792	17,533	19,292	182,617
Advertising and promotion	-	-	-	100,868	100,868	-	41,653	142,521
IT and Web	25,212	24,640	38,076	38,912	126,840	25,174	52,453	204,467
Interest expense	561	374	842	94	1,871	234	234	2,339
Miscellaneous expense	15,068	5,994	13,843	4,065	38,970	3,558	6,266	48,794
Depreciation expense	<u>3,928</u>	<u>2,619</u>	<u>5,892</u>	<u>655</u>	<u>13,094</u>	<u>13,094</u>	<u>-</u>	<u>26,188</u>
Total expenses	<u>\$ 630,213</u>	<u>\$ 5,679,698</u>	<u>\$ 3,513,101</u>	<u>\$ 1,441,135</u>	<u>\$ 11,264,147</u>	<u>\$ 974,287</u>	<u>\$ 2,412,509</u>	<u>\$ 14,650,943</u>

HelpMeSee, Inc.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2014 And 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 1,083,849	\$ (338,975)
<i>Adjustments to reconcile change in net assets to Net cash provided by operating activities:</i>		
Realized and unrealized (gain) loss on investments	-	(325,673)
Depreciation	35,453	26,188
Write-off of simulator costs	-	844,875
(Increase)/decrease in assets:		
Accounts receivable	(161,281)	(29,088)
Pledges receivable	2,770,499	(9,082,645)
Prepaid expenses	168,553	(69,320)
Other assets	(108,746)	-
Increase in liabilities:		
Accounts payable and accrued expenses	<u>191,365</u>	<u>1,547,300</u>
Net cash provided by (used for) operating activities	<u>3,979,692</u>	<u>(7,427,338)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	1,934,393
Purchase of furniture, equipment and capital expenses	<u>(450,904)</u>	<u>(95,919)</u>
Net cash provided by (used for) investment activities	<u>(450,904)</u>	<u>1,838,474</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayment) from line of credit	<u>(4,000,000)</u>	<u>4,000,000</u>
Net cash provided by (used for) financing activities	<u>(4,000,000)</u>	<u>4,000,000</u>
Net decrease in cash and cash equivalents	(471,212)	(1,588,864)
CASH		
Beginning of year	<u>2,427,408</u>	<u>4,016,272</u>
End of year	<u>\$ 1,956,196</u>	<u>\$ 2,427,408</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

(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

December 31, 2014

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 \$66,952 and \$47,090 for the years ended December 31, 2014 and 2013, 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, 2014 are expected to be collected within one year.

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014

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 2011-2013 or expected to be taken on the Organization's 2014 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

(2) FURNITURE, EQUIPMENT AND CAPITAL EXPENSES

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

	<u>2014</u>	<u>2013</u>
Office furniture	\$ 23,210	\$ 23,210
Office equipment	66,596	54,528
Leasehold improvements	9,124	-
Computers	<u>21,699</u>	<u>19,108</u>
	120,629	96,846
Less: accumulated depreciation and amortization	<u>78,681</u>	<u>43,228</u>
	<u>41,948</u>	<u>53,618</u>
Development		
Courseware	891,810	572,509
Construction-in-progress		
Leasehold improvements	<u>107,820</u>	<u>-</u>
	<u>999,630</u>	<u>572,509</u>
	<u>\$ 1,041,578</u>	<u>\$ 626,127</u>

Depreciation expense for the years ended December 31, 2014 and 2013 totaled \$35,453 and \$26,188, respectively.

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014

The Organization is in the advanced stages of the completion of 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 \$4,779,579 and \$5,303,445 were expensed in 2014 and 2013, respectively. The 2013 costs included \$844,875 of costs which were previously capitalized by the Organization. \$4,458,570 were incurred in 2013 and \$844,875 were incurred and capitalized in years prior to 2013.

(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, 2014 and 2013, the Organization had drawn down \$610,000 and \$4,610,000, respectively, of the funds available.

The Organization incurred interest expense of \$2,501 and \$2,338 for the years ended December 31, 2014 and 2013, 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, 2014

(5) NET ASSETS

TEMPORARILY RESTRICTED NET ASSETS

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

Cataract surgeries restricted to India	\$1,219,770
Cataract surgeries restricted to other regions	<u>86,752</u>
	<u>\$1,306,522</u>

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

Cataract surgeries restricted to other regions	<u>\$263,248</u>
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HelpMeSee surgical partners performed 76,637 surgeries in 2014 and 74,558 surgeries in 2013. 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, 2014 and 2013, the Organization received contributions, including outstanding pledges of \$5,000,000 and \$9,000,000 at December 31, 2014 and 2013, respectively, from two foundations in the amount of \$15,833,500 and \$11,018,850, respectively, which represents 81% and 77% 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 \$1,219,770 and \$82,645 in 2014 and 2013 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, 2014 and 2013, the Organization incurred joint costs of \$1,825,757 and \$2,928,472, respectively, for informational materials and activities that included fund-raising appeals. For the year ended December 31, 2014 and 2013, these joint costs were allocated as follows:

	<u>2014</u>	<u>2013</u>
Fundraising	\$ 1,168,483	\$ 1,874,222
Public Awareness	<u>657,274</u>	<u>1,054,250</u>
	<u>\$ 1,825,757</u>	<u>\$ 2,928,472</u>

HelpMeSee, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014

(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 has a lease agreement expiring July 31, 2017 for office space for its India operations.

Rent expense for the years ended December 31, 2014 and 2013 was \$182,612 and \$93,527 respectively.

Future minimum rental commitments under these leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 297,139
2016	344,963
2017	323,222
2018	290,195
2019	297,450
2020 and thereafter	<u>991,321</u>
	<u>\$2,544,290</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 have commenced and are currently scheduled to be completed in 2015. In connection with this arbitration action, for the years ended December 31, 2014 and 2013, the Organization incurred \$2,591,776 and \$659,385 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, April 21, 2015, have been evaluated in the preparation of the financial statements.