

Bhuiyan & Associates
Certified Public Accountant

2060 Walsh Ave, Suite 180
Santa Clara, California 95050

Health Mobile
(A California Non-profit Public Benefit Corporation)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008

* * *

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HEALTH MOBILE

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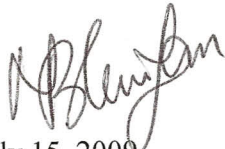
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Health Mobile
Santa Clara, California

We have audited the accompanying statement of financial position of Tooth Mobile (a non-profit public benefit corporation) as of December 31, 2008, 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 Health Mobile as of December 31, 2008, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



July 15, 2009
Bhuiyan & Associates
Santa Clara, California

HEALTH MOBILE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

ASSETS

Current Assets:		
Cash and cash equivalents	\$	64,664
Funds receivable		234,350
Prepaid expenses		<u>333</u>
Total Current Assets		<u>299,347</u>
Property and equipment:		
Net Property and Equipment		
TOTAL ASSETS	\$	<u>299,347</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued expenses	\$	<u>118,411</u>
Total Liabilities		<u>118,411</u>
Net Assets:		
Unrestricted net assets		180,936
Restricted net assets		-
TOTAL LIABILITIES AND NET ASSETS	\$	<u>299,347</u>

The accompanying notes are an integral part of these financial statements.

HEALTH MOBILE
Statement Of Activities
for the year ended December 31, 2008

	<u>2008</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
REVENUES:			
<u>PUBLIC SUPPORT</u>			
Public Support Received Directly:			
Contributions-Cash	\$ 108,599	-	\$ 108,599
Total Support Received Directly	<u>108,599</u>	-	<u>108,599</u>
Total Support Received Indirectly:			
Government Grants	<u>990,787</u>	-	<u>990,787</u>
Total Support Received Indirectly	<u>990,787</u>	-	<u>990,787</u>
Total Public Support	<u>1,099,386</u>	-	<u>1,099,386</u>
 <u>OTHER REVENUES</u>			
Fee for Service	<u>118,236</u>	-	<u>118,236</u>
Total Other Revenue	<u>118,236</u>	-	<u>118,236</u>
Net Assets released from restrictions	-	-	-
Total Support and Other Revenue	<u>1,217,622</u>	-	<u>1,217,622</u>
 EXPENSES:			
<u>PROGRAM SERVICES</u>			
Dental services	<u>1,031,881</u>	-	<u>1,031,881</u>
 <u>SUPPORT SERVICES</u>			
Management and General	<u>151,467</u>	-	<u>151,467</u>
Total support services	<u>151,467</u>	-	<u>151,467</u>
Total operating expenses	<u>1,183,348</u>	-	<u>1,183,348</u>
Change in net assets from operations	<u>34,274</u>	-	<u>34,274</u>
Net assets, beginning of period	<u>146,662</u>	-	<u>146,662</u>
Net assets, end of period	<u>\$ 180,936</u>	-	<u>\$ 180,936</u>

The accompanying notes are an integral part of these financial statements

HEALTH MOBILE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>
Cash Flows used for Operating Activities:	
Change in net assets	\$ 34,274
Adjustments to reconcile change in unrestricted net assets	
To net cash used for operating activities:	
(Increase) in accounts receivable	(102,312)
Increase in accounts payable	<u>116,352</u>
Net Cash provided by (used for) Operating Activities	<u>48,314</u>
Cash Flows used for Investing Activities:	
Purchases of equipment	
Net cash provided by (used for) Investing activities	<u> </u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	48,314
CASH AND CASH EQUIVALENTS, BEGINNING PERIOD	<u>16,350</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 64,664</u>

HEALTH MOBILE
Statement of Functional Expenses
for the year ended December 31, 2008

	<u>Program Services</u>	<u>Support Services</u>	<u>Total Expenses</u>
	<u>Dental Services</u>	<u>Management and General</u>	
FUNCTIONAL EXPENSES:			
Salaries	\$ 422,572	\$ 78,343	\$ 500,915
Payroll Taxes	33,664	3,799	37,463
Total Salaries & Payroll Taxes	456,236	82,142	538,378
Audit		8,000	8,000
DMV	1,441	39	1,480
Bank Charges	1,878	51	1,929
County Tax		217	217
Dental Supplies	86,602	2,348	88,950
Dues & Subscriptions	5,377	54	5,431
Gas	19,457	125	19,582
Insurance Expense	34,873	1,449	36,322
Lab Services	16,192	198	16,390
Legal and Professional Expense		260	260
Licenses Expense	1,967	491	2,458
Maintenance Expense	14,948	1,659	16,607
Office Expense	25,773	2,860	28,633
Medical Supplies	27,377	3,039	30,416
Office Supplies	12,931	1,435	14,366
Mobile Expenses	15,903	1,765	17,668
Print Expense	7,715	549	8,264
Outside Services	203,423	27,766	231,189
Rent or Lease Expense	30,272	4,132	34,404
Repairs Expense	41,100	7,620	48,720
Payroll Services	1,775	329	2,104
Storage	4,852	899	5,751
Telephone Expense	10,641	1,973	12,614
Utilities	5,431	1,007	6,438
Waste Disposal	5,717	1,060	6,777
	-	-	-
Total Expense before Depreciation	1,031,881	151,467	1,183,348
Depreciation			-
TOTAL EXPENSES	\$ 1,031,881	\$ 151,467	\$ 1,183,348

The accompanying notes are an integral part of these financial statements

HEALTH MOBILE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1- ORGANIZATION

Health Mobile is a nonprofit public benefit corporation dedicated to relieve pain and suffering preventable dental ailments for low income families around bay areas. The mission is to increase access to affordable comprehensive dental care, and to increase awareness of dental health issues via preventative oral hygiene education. The organization has three mobile dental units equipped to deliver dental care. In addition, it leases office space at 1659 Scott Blvd., Suite 4, Santa Clara, California, and leases premises for providing dental care to handicapped patients at Montpelier Drive, Suite 3, San Jose, California. Patients are primarily uninsured children from low income families throughout California. During the fiscal year ended December 31, 2008, over 8,342 dental visits were completed to 2,651 patients.

Note 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization adheres to the standards of accounting and financial reporting for non-profit organizations stipulated by the American Institute of Certified Public Accountants. Correspondingly, the financial statements are prepared on the accrual basis of accounting.

Cash and cash equivalents include petty cash, checking account, and any short-term, highly liquid investments with original maturity dates of three months or less.

Contributions are recognized when the donor pledges, in substance, an unconditional agreement. Contributions are recorded as unrestricted, temporarily restricted, permanently restricted depending on the type of donor restrictions and whether the restrictions are met in the current period. Restricted contributions are reported as increases in unrestricted net assets if the restrictions have been met during the current fiscal period. If the restriction has not been met by fiscal year end, the amount is reported as an increase in temporarily restricted net assets. When the restriction is finally met on a contribution received in a prior fiscal period, the amount is displayed, as a reclassification of restricted net assets to unrestricted net assets.

Income taxes are not indicated in the financial statements since Tooth Mobile is exempt from federal and state income taxes under section 501(c)(3) of the internal revenue code and the corresponding sections of the California Revenue and Taxation Act.

Fixtures, furniture, and office equipment are depreciated by the straight-line method over estimated useful lives, typically two to seven years. There are no new purchases during this calendar year.

HEALTH MOBILE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Property and equipment valued in excess of \$500 at time of acquisition or donation are capitalized.

Indirect expenses are allocated on estimated percentages based on time studies, square footage, and similar factors.

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Consequently, actual results could differ from those estimates.

NOTE 3- PROPERTY AND EQUIPMENT

Property and equipment is further described as follows:

	<u>December 31 2008</u>
Furniture and equipment	\$ 109,482
Vehicles	<u>715,928</u>
Total property and equipment	825,410
Less: Accumulated depreciation	<u>(825,410)</u>
Net property and equipment	<u>\$ 0.00</u>

NOTE 4- LEASED PREMISES

Health Mobile occupies premises located at 1659 Scott Blvd. Suite 4, Santa Clara, California, on a month-to-month basis. The current monthly rental rate is \$650. The firm originally leased space at 2324 Montpelier Drive, Suite 3 San Jose, California, for a period of five years, ending on May 31, 2003. Since that time Tooth Mobile has continued to occupy the premises on a month-to-month basis. The current monthly rental rate is \$1,531.

The organization also rents storage for its mobile units on a monthly basis for \$300 per month.