

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, 2010

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HEALTH MOBILE

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FINANCIAL STATEMENTS

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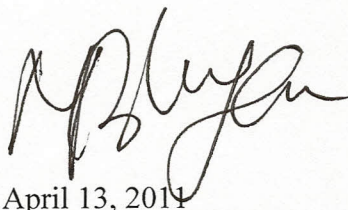
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Health Mobile
Santa Clara, California

We have audited the accompanying statement of financial position of Health Mobile (a non-profit public benefit corporation) as of December 31, 2010, 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, 2010, 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.



April 13, 2011
Bhuiyan & Associates
Santa Clara, California

HEALTH MOBILE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

Current Assets:

Cash and cash equivalents	\$ 147,981
Funds receivable	101,212
Prepaid expenses	<u>333</u>

Total Current Assets	<u>249,526</u>
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Property and equipment:

Net Property and Equipment	<u>-</u>
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TOTAL ASSETS	<u>\$ 249,526</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	<u>\$ 10,224</u>
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Total Liabilities	<u>10,224</u>
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Net Assets:

Unrestricted net assets	239,302
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Restricted net assets	<u>-</u>
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	<u>239,302</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 249,526</u>
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The accompanying notes are an integral part of these financial statements.

HEALTH MOBILE
Statement Of Activities
for the year ended December 31, 2010

REVENUES:	Unrestricted	Restricted	Total
<u>PUBLIC SUPPORT</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
Support Received Indirectly:			
Government Grants	\$ 841,098	\$ -	\$ 841,098
Total Support Received Indirectly	<u>841,098</u>	<u>-</u>	<u>841,098</u>
 <u>OTHER REVENUES</u>			
Fee for Service	25,000	-	25,000
Total Other Revenue	<u>25,000</u>	<u>-</u>	<u>25,000</u>
 NET ASSETS RELEASED FROM RESTRICTIONS	 - <u>-</u>	 - <u>-</u>	 - <u>-</u>
Total Support and Other Revenue	<u>866,098</u>	<u>-</u>	<u>866,098</u>
 EXPENSES:			
<u>PROGRAM SERVICES</u>			
Dental services	735,870	-	735,870
<u>SUPPORT SERVICES</u>			
Management and General	106,060	-	106,060
Total operating expenses	<u>841,930</u>	<u>-</u>	<u>841,930</u>
Change in net assets from operations	24,168	-	24,168
Net assets, beginning of period	215,134	-	215,134
Net assets, end of period	<u>\$ 239,302</u>	<u>\$ -</u>	<u>\$ 239,302</u>

The accompanying notes are an integral part of these financial statements

HEALTH MOBILE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash Flows used for Operating Activities:

Change in net assets	\$ 24,168
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Decrease in accounts receivable	10,914
Decrease in accounts payable	<u>(9,580)</u>
Net Cash provided by Operating Activities	<u>25,502</u>

Cash Flows used for Investing Activities:

Purchases of equipment	<u>-</u>
Net Cash provided by Investing activities	<u>-</u>

NET INCREASE IN CASH AND EQUIVALENTS	25,502
CASH AND CASH EQUIVALENTS, BEGINNING PERIOD	<u>122,479</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 147,981</u>

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

HEALTH MOBILE
Statement of Functional Expenses
for the year ended December 31, 2010

	Program Services	Support Services	Total Expenses
	Dental Services	Management and General	
FUNCTIONAL EXPENSES:			
Salaries	\$ 334,505	\$ 43,467	\$ 377,972
Payroll Taxes	22,161	2,880	25,041
Total Salaries & Payroll Taxes	356,666	46,347	403,013
Outside Services	192,590	25,026	217,616
Rent or Lease Expense	31,571	4,103	35,674
Insurance Expense	26,833	3,487	30,320
Mobile Expenses	18,562	2,412	20,974
Office Expense	17,849	2,319	20,168
Dental Supplies	18,997	2,469	21,466
Repairs Expense	14,654	1,904	16,558
Office Supplies	14,065	1,828	15,893
Telephone Expense	9,951	1,293	11,244
Audit	-	8,400	8,400
Lab Services	6,633	861	7,494
Gas	6,365	827	7,192
Utilities	5,062	658	5,720
Dues & Subscriptions	3,778	491	4,269
Storage	3,423	445	3,868
Medical Supplies	3,115	405	3,520
Waste Disposal	2,920	90	3,010
Licenses Expense	1,190	154	1,344
Print Expense	-	1,156	1,156
DMV	898	117	1,015
Payroll Services	748	97	845
County Tax	-	607	607
Legal and Professional Expense	-	450	450
Bank Charges	-	114	114
Total Expense before Depreciation	735,870	106,060	841,930
Depreciation	-	-	-
TOTAL EXPENSES	\$ 735,870	\$ 106,060	\$ 841,930
	87%	13%	

The accompanying notes are an integral part of the financial statements

HEALTH MOBILE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010, over 6904 dental visits were completed to 2964 patients.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements are presented in conformity with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 958, Not-for-Profit Entities. The Foundation is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted nets assets, which represent resources whose use by the organization is limited by donor-impose stipulations that neither expire by passage of time nor can fulfilled or otherwise removed by actions of the organization.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP).

Use of Estimates - 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.

Cash and Cash Equivalents - 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 - 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.

HEALTH MOBILE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Income Taxes - Income taxes are not indicated in the financial statements since Health 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.

The Organization adopted the GAAP accounting standard regarding accounting for uncertain tax positions. This accounting standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the organization's financial statements. The standard requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. The adoption of this standard had no effect on the Organization's financial position, results of operations, or cash flows.

Property and Equipment - 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.

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

Functional Allocation of Expenses - The costs of providing the program and support services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and investments which, at times, may exceed federally insured limits. The deposits at financial institutions bear the credit risk associated with institutions. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2010:

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>\$ -</u>

HEALTH MOBILE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - 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 \$1,000. The firm originally leased a space at 2324 Montpelier Drive, Suite 3 San Jose, California, for a period of five years that ended on May 31, 2003. Since that time Health Mobile has continued to occupy the premises on a month-to-month basis. The current monthly rental rate is \$1,898.

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

NOTE 5 - SUBSEQUENT EVENTS

Management has reviewed subsequent events and transactions that occurred after the statement of financial position date through April 13, 2011, the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Client: **HEALTH - Health Mobile**
Engagement: **2010 Aud - Health Mobile**
Period Ending: **12/31/2010**
Trial Balance: **1200.01 - Trial Balance**
Workpaper: **1300.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
	to correct the beginning net asset balance	6100.01		
40008	City of San Jose HNVF		5,143.00	
39005	Retained Earnings			5,143.00
Total			5,143.00	5,143.00
Adjusting Journal Entries JE # 2				
	to accrue the dental supplies incurred in december 2010	5100.04		
64500	Dental Supplies		1,824.00	
20000	Accounts Payable			1,824.00
Total			1,824.00	1,824.00