

**MOBILE MEDICAL DISASTER RELIEF, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2010**

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BLANKENSHIP CPA GROUP, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mobile Medical Disaster Relief, Inc.

We have audited the accompanying statement of financial position of Mobile Medical Disaster Relief, Inc. (a Tennessee not-for-profit corporation, the "Organization") as of December 31, 2010 and the related statement 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 Mobile Medical Disaster Relief, Inc. as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blankenship CPA Group, PLLC

September 27, 2011

MOBILE MEDICAL DISASTER RELIEF, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

CURRENT ASSETS

Cash	\$ 281,195
Inventory	315,119
Total Current Assets	<u>596,314</u>

EQUIPMENT

Trailer	6,199
Less accumulated depreciation	<u>(3,985)</u>
EQUIPMENT, net	<u>2,214</u>

INVESTMENTS

25,209

TOTAL ASSETS

\$ 623,737

NET ASSETS

TOTAL NET ASSETS - UNRESTRICTED

\$ 623,737

The accompanying notes are an integral part of this financial statement.

**MOBILE MEDICAL DISASTER RELIEF, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010**

CHANGE IN UNRESTRICTED NET ASSETS

Public Support	
Contributions	\$ 571,209
Donated facilities and services	165,351
Donated medical supplies	<u>705,974</u>
Total public support	1,442,534
Revenues	
Investment income	<u>495</u>
Total public support and revenues	<u>1,443,029</u>
Expenses	
Program services	1,044,327
Supporting services	<u>201,531</u>
Total expenses	<u>1,245,858</u>
Change in unrestricted net assets	197,171
Net assets, beginning of year	<u>426,566</u>
Net assets, end of year	<u><u>\$ 623,737</u></u>

The accompanying notes are an integral part of this financial statement.

MOBILE MEDICAL DISASTER RELIEF, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

	Program Services	Supporting Services			Grand Total
		Management and General	Fundraising	Total	
Medical services	\$ 879,517	\$ -	\$ -	\$ -	\$ 879,517
Travel	110,552	-	-	-	110,552
Rent	-	82,081	-	82,081	82,081
Payroll expenses	14,784	44,352	-	44,352	59,136
Advertising	-	-	30,216	30,216	30,216
Supplies	6,141	18,422	-	18,422	24,563
Housing services	19,600	-	-	-	19,600
Miscellaneous	4,733	14,199	-	14,199	18,932
Food distribution	9,000	-	-	-	9,000
Professional fees	-	6,608	-	6,608	6,608
Bank fees	-	2,554	-	2,554	2,554
Training	-	1,817	-	1,817	1,817
Depreciation	-	886	-	886	886
Taxes, licenses and fees	-	396	-	396	396
Total	\$ 1,044,327	\$ 171,315	\$ 30,216	\$ 201,531	\$ 1,245,858

The accompanying notes are an integral part of this financial statement.

MOBILE MEDICAL DISASTER RELIEF, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010

Cash flows from operating activities:	
Change in unrestricted net assets	<u>\$ 197,171</u>
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Depreciation	886
Decrease in operating assets:	
Inventory	47,731
Decrease in operating liabilities:	
Accrued expenses and other liabilities	<u>(57)</u>
Total adjustments	<u>48,560</u>
Net cash provided by operating activities	<u>245,731</u>
Cash flows from investing activities:	
Reinvestments of investment income	<u>(1,626)</u>
Net cash used by investing activities	<u>(1,626)</u>
Increase in cash	244,105
Cash, beginning of year	<u>37,090</u>
Cash, end of year	<u><u>\$ 281,195</u></u>

The accompanying notes are an integral part of this financial statement.

MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Believing that Jesus the Messiah calls us to be advocates of those in need, Mobile Medical Disaster Relief, Inc. (the "Organization") was founded in December, 2005 as a Tennessee not-for-profit corporation committed to providing medical aid to the vulnerable and underserved people in the United States and throughout the world. It is their desire to make a lasting impact on the future of a community by aiding local entities in providing medicine and health care services to the people of impoverished and crisis areas. The Organization's primary sources of support are donated medical supplies, physician services and cash contributions. The Organization currently operates from donated facilities located in Brentwood, Tennessee.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Inventory

Inventory consists of donated medical supplies and is reported at estimated fair market value.

Equipment and Depreciation

Equipment is stated at acquisition cost or at estimated fair value at the time of the gift, if donated. Depreciation is calculated by the straight-line method over the estimated useful life of the related asset. Depreciation expense for the year ended December 31, 2010 was \$886.

Fair Value Measurement and Income Recognition

Level 1 Inputs - Fair values are based on quoted prices (unadjusted) in active markets for identical assets that the Organization has the ability to access at the measurement date (e.g. prices derived from NYSE, NASDAQ, or Chicago Board of Trade).

Level 2 Inputs - Fair values are based on inputs other than quoted price included within level 1 that are observable for valuing the asset or liability, either directly or indirectly (e.g. interest rate and yield curves observable at commonly quoted intervals, default rates, etc.). Observable inputs included in quoted prices for similar assets or liabilities in active or non-active markets. Level 2 inputs may also include significant adjustments for market observable inputs.

**MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement and Income Recognition (continued)

Level 3 Inputs - Fair values are based on unobservable inputs used for valuing the asset or liability. Unobservable inputs are those that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances. An example would be real estate valuations, which require significant judgment.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividends are recorded when received.

All investments were measured at fair value using level 1 inputs at December 31, 2010.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released in satisfaction of program restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Donated Facilities and Services

Donated facilities are recorded as support in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value. Donated facilities for the year ended December 31, 2010 was \$65,963.

Donated services are recognized as support if they create or enhance nonfinancial assets or the donated service requires specialized skills, was performed by a donor who possess such skills, and would have been purchased by the Organization, if not donated. Such services are recognized at estimated fair value as support and expense in the period the services were performed. Donated services for the year ended December 31, 2010 was \$99,388.

MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facilities and Services (continued)

A number of unpaid volunteers have made significant contributions of their time to assist the Organization in achieving its stated goals. The value of contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

NOTE 3 - INVESTMENTS

Cost and fair market value of marketable debt and equity securities at December 31, 2010 are as follows:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Available for Sale:				
Mutual Funds	\$ 25,493	\$ 34	\$ (318)	\$ 25,209

NOTE 4 - RELATED PARTY TRANSACTIONS

A board member / officer of the Organization contributes a significant percentage of cash contributions and 100% of the donated physician services to the Organization. In addition the Organization utilizes a facility free of charge from a medical practice owned by this board member / officer. The medical practice contributes the use of its staff and some office supplies and pays for the insurance policy which covers both the practice and the Organization.

NOTE 5 - MANAGEMENT'S REVIEW

The Organization's management has evaluated subsequent events through September 27, 2011, the date which the financial statements were available to be issued.