

**MOBILE MEDICAL DISASTER RELIEF, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2014**

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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 financial statements of Mobile Medical Disaster Relief, Inc. (a Tennessee not-for-profit corporation, the "Organization") which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

Auditors' 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 auditors' 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 entity'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 entity'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 Mobile Medical Disaster Relief, Inc. as of December 31, 2014, 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

October 26, 2015

**MOBILE MEDICAL DISASTER RELIEF, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014**

ASSETS

CURRENT ASSETS	
Cash	\$ 444,300
Inventory	454,864
Total Current Assets	899,164
INVESTMENTS	48,665
CONSTRUCTION IN PROGRESS	1,057,461
PROPERTY AND EQUIPMENT, NET	1,219,783
TOTAL ASSETS	\$ 3,225,073

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 10,048
Accrued expenses	19,094
Deferred revenue	57,120
Total Current Liabilities	86,262
NET ASSETS	
Unrestricted	3,065,522
Temporarily restricted	73,289
Total Net Assets	3,138,811
TOTAL LIABILITIES AND NET ASSETS	\$ 3,225,073

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

**MOBILE MEDICAL DISASTER RELIEF, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014**

CHANGES IN UNRESTRICTED NET ASSETS	
Public Support	
Contributions	\$ 1,279,454
Donated facilities and services	557,041
Donated medical supplies	<u>163,507</u>
Total Public Support	<u>2,000,002</u>
Functional Expenses	
Program services	1,573,623
Supporting services	<u>334,618</u>
Total Functional Expenses	<u>1,908,241</u>
Other Income	
Investment income	<u>1,987</u>
Total Other Income	<u>1,987</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>93,748</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	
Restricted contributions	<u>39,195</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>39,195</u>
INCREASE IN TOTAL NET ASSETS	132,943
NET ASSETS, BEGINNING OF THE YEAR	<u>3,005,868</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 3,138,811</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, 2014**

	Program Services	Supporting Services			Grand Total
		Management and General	Fundraising	Total	
Medical services	\$ 747,840	\$ -	\$ -	\$ -	\$ 747,840
Housing services	54,949	-	-	-	54,949
Haiti base	230,608	-	-	-	230,608
Water projects	26,838	-	-	-	26,838
Food distribution	51,950	-	-	-	51,950
Other services	85,071	-	-	-	85,071
Missions and guests	171,777	-	-	-	171,777
Travel	-	-	1,354	1,354	1,354
Rent	-	12,000	-	12,000	12,000
Payroll expenses	134,435	169,807	53,867	223,674	358,109
Benefits	1,785	2,255	715	2,970	4,755
Advertising	-	-	8,590	8,590	8,590
Fundraising events	-	-	44,061	44,061	44,061
Supplies	9,421	1,035	-	1,035	10,456
Office expenses	-	6,002	-	6,002	6,002
Professional fees	-	14,342	-	14,342	14,342
Bank fees	-	6,110	-	6,110	6,110
Depreciation	52,127	1,828	-	1,828	53,955
Miscellaneous	6,822	3,617	1,511	5,128	11,950
Taxes, licenses and fees	-	7,524	-	7,524	7,524
Total	\$ 1,573,623	\$ 224,520	\$ 110,098	\$ 334,618	\$ 1,908,241

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

**MOBILE MEDICAL DISASTER RELIEF, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014**

Cash flows from operating activities:	
Increase in net assets	<u>\$ 132,943</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	53,955
Net appreciation of marketable securities	(1,280)
Donated inventory	(165,918)
Decrease (increase) in operating assets:	
Inventory	208,306
Prepaid expenses	1,916
(Decrease) increase in operating liabilities:	
Accounts payable	(752)
Accrued expenses	13,445
Deferred revenue	<u>29,720</u>
Total adjustments	<u>139,392</u>
Net cash provided by operating activities	<u>272,335</u>
Cash flows from investing activities:	
Purchase of property and equipment	(155,473)
Purchase of construction in progress	(473,650)
Purchase of marketable securities	(36,548)
Sale of marketable securities	<u>35,750</u>
Net cash used by investing activities	<u>(629,921)</u>
(Decrease) increase in cash	(357,586)
Cash, beginning of the year	<u>801,886</u>
Cash, end of the year	<u><u>\$ 444,300</u></u>
<u>Supplemental disclosure of non-cash transactions</u>	
Transfers from construction in progress to property and equipment	\$ 780,545
Donated inventory transferred to property and equipment	\$ 112,650

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

**MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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 statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash

The Company maintains cash on deposit at financial institutions which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to significant credit risk related to cash. Uninsured amounts at December 31, 2014 were approximately \$100,000.

Inventory

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

Property, Equipment and Depreciation

Property and equipment is stated at acquisition cost or at estimated fair value at the time of the gift, if donated. The cost of land and equipment purchased in excess of \$1,000 is capitalized. Depreciation is calculated by the straight-line method over the estimated useful life of the related assets (five to thirty years).

MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2014.

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 Statements of Activities and Changes in Net Assets as net assets released from 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 (IRS) as other than a private foundation.

**MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Organization's management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2014 no uncertain positions are taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to routine audits by federal taxing jurisdictions for periods beginning before December 31, 2011.

Donated Facilities, Supplies, 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, 2014 was \$12,000.

Donated supplies 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 supplies for the year ended December 31, 2014 was \$165,918.

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, 2014 was \$545,041.

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

The investments consist of cash and marketable securities and are presented in the financial statements at fair value based on quoted prices in active markets (all Level 1 measurements). Market risk could occur and is dependent on the future changes in market prices of the various investments held.

**MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 – INVESTMENTS (CONTINUED)

An analysis of the investments held as of December 31, 2014 is as follows:

	<u>Fair Value</u>	<u>Cost</u>
Cash	\$ 1,437	\$ 1,437
Mutual Funds	30,454	30,222
Stocks	<u>16,774</u>	<u>17,200</u>
	<u>\$ 48,665</u>	<u>\$ 48,859</u>

Investment activity for the year ended December 31, 2014 is summarized as follows:

Interest and dividends	\$ 1,419
Investment expense	(622)
Net realized and unrealized gains	<u>1,190</u>
	<u>\$ 1,987</u>

NOTE 4 - PROPERTY AND EQUIPMENT

The Organization's property and equipment consist of the following as of December 31, 2014:

Land and land improvements	\$ 146,129
Property and equipment	<u>1,146,991</u>
	1,293,120
Less accumulated depreciation	<u>(73,337)</u>
	<u>\$ 1,219,783</u>

NOTE 5 - RESTRICTIONS ON NET ASSETS

The temporary restrictions on net assets are for capital projects, programs, and orphanage support in Haiti. There were no permanently restricted net assets as of December 31, 2014.

NOTE 6 - FOREIGN OPERATIONS

The Organization operates a mission base in Haiti. As of December 31, 2014 current assets in Haiti totaled \$36,094; property and equipment, net of accumulated depreciation amounted to approximately \$1,111,858; and construction in progress totaled \$1,057,461. \$2,205,443 of the net assets reported in the accompanying statement of financial position relate to that facility as of December 31, 2014.

Account balances relating for foreign operations are reflected in the financial statements in United States dollars.

**MOBILE MEDICAL DISASTER RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

NOTE 7 - RELATED PARTY TRANSACTIONS

During 2014, the Organization received approximately \$202,435 in donated services and supplies from members of the board of directors.

The Organization provides accommodations free of charge to the board members and officers who oversee the programs in Haiti.

NOTE 8 - ADVERTISING COSTS

The Organization uses advertising to promote its programs. Advertising costs are expensed as incurred. For the year ended December 31, 2014, advertising expense was \$8,590.

NOTE 9 - MANAGEMENT'S REVIEW

The Organization's management has evaluated subsequent events through October 26, 2015, the date which the financial statements were available to be issued.