

In Our Own Quiet Way, Inc.
Financial Statements
December 31, 2010 & 2009

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THE C.P.A. NETWORK, LLC

CERTIFIED PUBLIC ACCOUNTANTS

GLOBAL ACCESS

LOCAL FINANCIAL SPECIALISTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
In Our Own Quiet Way, Inc.

We have audited the accompanying statement of financial position of In Our Own Quiet Way, Inc. (a Utah nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, and cash flows for the years 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 In Our Own Quiet Way, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The C.P.A. Network, LLC

The C.P.A. Network, LLC

Provo, Utah
April 11, 2011

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In Our Own Quiet Way, Inc.
Statements of Financial Position
As of December 31, 2010 & 2009

	2010	2009
Assets		
Current Assets		
Cash	\$ 254	\$ 0
Total Current Assets	254	0
Fixed Assets		
Furniture & Equipment	6,062	6,062
Accumulated Depreciation	(1,290)	(424)
Total Fixed Assets	4,772	5,638
Other Assets	23,666	23,666
Total Assets	\$ 28,692	\$ 29,304
 Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 0	\$ 9,032
Accrued Expenses	50	3,565
Other Liabilities	8,360	12,005
Total Current Liabilities	8,410	24,602
Other Liabilities		
Line of Credit	0	833,764
Accrued Interest	0	62,647
Total Other Liabilities	0	896,411
Total Liabilities	8,410	921,013
Net Assets		
Unrestricted	20,282	(891,709)
Total Net Assets	20,282	(891,709)
Total Liabilities & Net Assets	\$ 28,692	\$ 29,304

See the accompanying independent auditor's report.

The notes to the financial statements are an integral part of these financial statements.

In Our Own Quiet Way, Inc.
Statement of Activities
For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010 Total</u>
Revenues and Support			
Contributions	\$ 1,087,500	\$ 0	\$ 1,087,500
Special Events	57,095	0	57,095
Other Support	1,546		1,546
In-Kind Contributions	54	0	54
Net Assets Released From Restrictions			
Satisfaction of Program Restrictions	0	0	0
Total Revenues and Support	<u>1,146,195</u>	<u>0</u>	<u>1,146,195</u>
Expenses			
Program Services:			
Developing Countries	57,014	0	57,014
Domestic Support	47,234	0	47,234
Total Program Services	<u>104,248</u>	<u>0</u>	<u>104,248</u>
Supporting Services:			
Management and General	90,568	0	90,568
Fundraising	39,388	0	39,388
Total Support Services	<u>129,956</u>	<u>0</u>	<u>129,956</u>
Total Expenses	<u>234,204</u>	<u>0</u>	<u>234,204</u>
Change in net assets	911,991	0	911,991
Net assets-beginning of year	(891,709)	0	(891,709)
Net assets-end of year	<u>\$ 20,282</u>	<u>\$ 0</u>	<u>\$ 20,282</u>

See the accompanying independent auditor's report.

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In Our Own Quiet Way, Inc.
Statement of Activities
For the Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2009 Total</u>
Revenues and Support			
Contributions	\$ 52,647	\$ 1,525	\$ 54,172
Special Events	52,788	0	52,788
In-Kind Contributions	33,149	0	33,149
Net Assets Released From Restrictions			
Satisfaction of Program Restrictions	2,050	(2,050)	0
Total Revenues and Support	<u>140,634</u>	<u>(525)</u>	<u>140,109</u>
Expenses			
Program Services:			
Developing Countries	321,966	0	321,966
Domestic Support	185,572	0	185,572
Total Program Services	<u>507,538</u>	<u>0</u>	<u>507,538</u>
Supporting Services:			
Management and General	201,986	0	201,986
Fundraising	312,581	0	312,581
Total Support Services	<u>514,567</u>	<u>0</u>	<u>514,567</u>
Total Expenses	<u>1,022,105</u>	<u>0</u>	<u>1,022,105</u>
Change in net assets	(881,471)	(525)	(881,996)
Net assets-beginning of year	(10,238)	525	(9,713)
Net assets-end of year	<u>\$ (891,709)</u>	<u>\$ 0</u>	<u>\$ (891,709)</u>

See the accompanying independent auditor's report.

The notes to the financial statements are an integral part of these financial statements.

In Our Own Quiet Way, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2010 & 2009

	2010	2009
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 911,991	\$ (881,996)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Donated assets	0	(10,375)
Line of credit converted to donation	(833,764)	0
Depreciation	866	424
Increase/(decrease) in accrued interest payable	(62,647)	62,454
Increase (decrease) in accounts payable	(9,032)	7,046
Increase (decrease) in accrued expenses	(3,515)	3,565
Increase (decrease) in other liabilities	(3,645)	12,005
Net cash provided (used) by operating activities	254	(806,877)
Cash flows from investing activities		
Purchase of capital investments	0	(6,560)
Net cash provided (used) by investing activities	0	(6,560)
Cash flows from financing activities		
Cash received from loans	0	812,406
Net cash provided (used) by financing activities	0	812,406
Net cash increase for period	254	(1,031)
Cash at beginning of period	0	1,031
Cash at End of Year	\$ 254	\$ 0
Non-cash transactions		
Purchase of assets with note payable	\$ 0	\$ 12,793

See the accompanying independent auditor's report.

The notes to the financial statements are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

In Our Own Quiet Way, Inc. (the Organization) is a Utah non-profit corporation. The Organization incorporated and began operations in January 2007.

The Organization is a global non-profit organization dedicated to helping impoverished or underdeveloped regions around the world develop practical, long-term solutions. The Organization investigates and responds to the greatest needs of suffering communities, as defined by these communities, and then organizes a cooperative effort with other non-profit organizations, businesses, governments and community groups, consolidating funds and resources, and directing them to serve the greatest good.

Funding Sources

The Organization is funded by private contributions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Cash

The Organization considers all highly liquid investments with a maturity of three months or less when purchased, to be cash.

Property and Equipment

The policy of the Organization is to capitalize all expenditures for equipment with a life greater than one year and cost in excess of \$1,000. Purchased equipment is recorded at cost and donated equipment is recorded at fair value at the date of contribution. Depreciation is computed using the straight-line method over the useful lives of the assets which range from three to seven years.

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 reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is a non-profit corporation and is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code.

NOTE 2 – CASH

As of December 31, 2010, the Organization's bank balance was \$254, none of which is restricted for the use of sponsorships. The bank balance was covered 100% by federal depository insurance.

NOTE 3 – OTHER ASSETS

As of December 31, 2010 and 2009, other assets include a country club membership valued at cost in the amount of \$1,250 and art valued at cost in the amount of \$22,416. The country club membership is used to solicit donations from affluent prospects. Neither of these assets is being depreciated.

NOTE 4 – LONG-TERM DEBT

On June 30, 2008 the Organization secured an open ended line of credit with a related party bearing simple interest at 6% and payable on or before December 31, 2020. At any time prior to maturity the lender has the right to convert the balance to a donation. During the year ended December 31, 2010, the entire outstanding principal in the amount of \$972,967 along with accrued interest in the amount of \$62,647 was converted to a donation; the remaining principal outstanding at the end of the year was \$0. For the year ended December 31, 2010 interest accrued on the line of credit was \$0. The total due on the line of credit, principal and interest, as of December 31, 2010 was \$0.

NOTE 5 – RELATED-PARTY TRANSACTIONS

During the fiscal year ended December 31, 2010 the Organization received contributions in the amount \$1,035,614 from officers of the organization. In addition, the Organization has a related-party line of credit outstanding with principal and accrued interest in the amount of \$0.

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NOTE 6 – FUNCTIONAL EXPENSES

For the Year Ended December 31, 2010:

	Program	Supporting			Total
	Services	Services			
	Program	Management	Fundraising	Total	Total
	Services	& General		Support	Expenses
				Services	
Bank & credit card fees	\$ 35	\$ 2,750	\$ 546	\$ 3,296	\$ 3,331
Conferences & education	7,769	303	8,326	8,629	16,398
Depreciation	0	866	0	866	866
Equipment rental	186	350	175	525	711
Food, water & other assistance	14,554	0	0	0	14,554
Interest expense	0	54,480	0	54,480	54,480
Marketing & advertising	8,262	180	17,518	17,698	25,960
Miscellaneous	0	346	0	346	346
Occupancy	0	12,000	0	12,000	12,000
Office supplies	2,112	1,182	807	1,989	4,101
Postage & shipping	0	309	197	506	506
Printing & publications	23,545	769	8,581	9,350	32,895
Professional fees	4,910	12,891	2,954	15,845	20,755
Scholarships	15,700	0	0	0	15,700
Travel	27,063	662	234	896	27,959
Utilities	112	3,225	50	3,275	3,387
Wages	0	255	0	255	255
Totals	\$ 104,248	\$ 90,568	\$ 39,388	\$ 129,956	\$ 234,204

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NOTE 6 – FUNCTIONAL EXPENSES (CONTINUED)

For the Year Ended December 31, 2009:

	Program	Supporting		Total	Total
	Services	Services			
	Program	Management	Fundraising	Support	Total
	Services	& General		Services	Expenses
Bank & credit card fees	\$ 0	\$ 3,339	\$ 764	\$ 4,103	\$ 4,103
Conferences & education	22,533	4,921	26,924	31,845	54,378
Depreciation	0	424	0	424	424
Equipment rental	19,920	1,742	442	2,184	22,104
Food, water & other assistance	121,497	0	0	0	121,497
Interest expense	0	62,454	0	62,454	62,454
Marketing & advertising	54,971	18,369	107,830	126,199	181,170
Miscellaneous	0	810	0	810	810
Occupancy	0	14,000	0	14,000	14,000
Office supplies	443	2,255	132	2,387	2,830
Postage & shipping	57,518	156	39	195	57,713
Printing & publications	99,358	6,455	156,192	162,647	262,005
Professional fees	23,391	30,961	3,298	34,259	57,650
Scholarships	15,325	0	0	0	15,325
Travel	79,855	598	6,808	7,406	87,261
Utilities	724	3,483	0	3,483	4,207
Wages	12,003	52,019	10,152	62,171	74,174
Totals	\$ 507,538	\$ 201,986	\$ 312,581	\$ 514,567	\$ 1,022,105

NOTE 7 – NET ASSETS

As of December 31, 2010 the Organization had the following balances of net assets:

Unrestricted	\$ 20,282
Temporarily restricted	<u>0</u>
Total Net Assets	<u>\$ 20,282</u>

Temporarily restricted net assets include the following amounts restricted for:

Sponsorships for underprivileged families	\$ 0
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NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated items for disclosure as subsequent events through April 11, 2011, the date on which financial statements were issued.

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