

Nowyr Inc
Statement of Cash Flows
January 2004 through June 2009

Jan '04 - Jun 09

OPERATING ACTIVITIES	
Net Income	-800,803.78
Adjustments to reconcile Net Income to net cash provided by operations:	
1170 · Receivables	-3,751.21
1170 · Receivables:1170.10 · Loan Receivable Christine Bain	-100.00
1210 · Plant Construction Assets	-232,050.61
1220 · Materials and Supplies	-3,220.45
1220 · Materials and Supplies:1220.10 · Materials & Supplies Not Sold	-27,230.88
4011 · Accts Payable:4011.21 · A/P to Non Affiliated Companies	1,160.28
4080 · Other Taxes Accrued:4080.60 · Sales Tax Payable	463.05
Net cash provided by Operating Activities	<u>-1,065,533.60</u>
INVESTING ACTIVITIES	
2001 · Telecommunications Plant in Svc	-1,198.25
2100 · General Support Assets:2110.20 · Buildings	-11,500.00
2100 · General Support Assets:2110.30 · Furniture and Office Equipments	-6,331.47
2100 · General Support Assets:2110.40 · Vehicles & Other Work Equipment	-21,898.38
2100 · General Support Assets:2110.40 · Vehicles & Other Work Equipment:2110.41 · Tools	-3,673.77
2100 · General Support Assets:2110.60 · General Purpose Computers	-14,695.14
2600 · Amortizable Assets	-5,057.00
3000 · Accumulated Depreciation	64,051.00
Net cash provided by Investing Activities	<u>-303.01</u>
FINANCING ACTIVITIES	
4210 · Long Term Debt:4210.15 · Loan from Shareholder	1,032,837.85
4210 · Long Term Debt:4210.25 · Loan Payable Wells Fargo	25,000.00
4540 · Stockholders Capital:4540.11 · Capital Stock Subscribed	10,000.00
Net cash provided by Financing Activities	<u>1,067,837.85</u>
Net cash increase for period	<u>2,001.24</u>
Cash at end of period	<u><u>2,001.24</u></u>

Nowyr Inc
Profit & Loss
January 2004 through June 2009

	<u>Jan - Dec 04</u>	<u>Jan - Dec 05</u>	<u>Jan - Dec 06</u>	<u>Jan - Dec 07</u>	<u>Jan - Dec 08</u>	<u>Jan - Jun 09</u>	<u>TOTAL</u>
Ordinary Income/Expense							
Income							
49900 · Uncategorized Income	0.00	0.00	0.00	2,303.98	39.20	40.02	2,383.20
5001 · Basic Local Service Revenue							
5001.01 · Deposited Items Returned	0.00	0.00	0.00	-43.17	-253.99	0.00	-297.16
5001.10 · Installation Service	0.00	9,744.15	8,900.00	7,749.15	3,491.91	200.00	30,085.21
5001.20 · Labor							
5001.21 · Wholesale Labor	0.00	1,615.00	687.50	0.00	890.84	0.00	3,193.34
5001.25 · Warranty	0.00	4,080.00	0.00	0.00	0.00	0.00	4,080.00
5001.20 · Labor - Other	1,035.80	5,681.94	4,675.82	10,539.38	16,220.04	-4,058.49	34,094.49
Total 5001.20 · Labor	<u>1,035.80</u>	<u>11,376.94</u>	<u>5,363.32</u>	<u>10,539.38</u>	<u>17,110.88</u>	<u>-4,058.49</u>	<u>41,367.83</u>
5001.30 · Parts and Equipment Sales							
5001.31 · Wholesale Parts	0.00	12,310.24	90.00	0.00	0.00	0.00	12,400.24
5001.30 · Parts and Equipment Sales - Other	364.17	107,689.78	8,479.21	26,281.88	1,089.15	13,922.84	157,827.03
Total 5001.30 · Parts and Equipment Sales	<u>364.17</u>	<u>120,000.02</u>	<u>8,569.21</u>	<u>26,281.88</u>	<u>1,089.15</u>	<u>13,922.84</u>	<u>170,227.27</u>
5001.40 · Monthly Internet Wireless Fee	-0.01	5,730.53	30,579.57	70,470.97	122,554.54	86,531.75	315,867.35
5001.50 · Freight	0.00	29.87	0.00	0.00	0.00	19.02	48.89
5001.60 · Late Fees	0.00	0.00	0.00	0.00	343.90	752.36	1,096.26
5001.70 · Refunds	0.00	0.00	0.00	0.00	-2,339.81	0.00	-2,339.81
Total 5001 · Basic Local Service Revenue	<u>1,399.96</u>	<u>146,881.51</u>	<u>53,412.10</u>	<u>114,998.21</u>	<u>141,996.58</u>	<u>97,367.48</u>	<u>556,055.84</u>
5002 · Non Taxable Other Revenue							
5002.01 · Recycling Revenue	0.00	3,426.70	1,100.92	0.00	0.00	0.00	4,527.62
5002.02 · Used Parts & Equip Sales	0.00	0.00	3,167.01	0.00	6,161.93	0.00	9,328.94
5002 · Non Taxable Other Revenue - Other	0.00	0.00	2,487.00	0.00	0.00	0.00	2,487.00
Total 5002 · Non Taxable Other Revenue	<u>0.00</u>	<u>3,426.70</u>	<u>6,754.93</u>	<u>0.00</u>	<u>6,161.93</u>	<u>0.00</u>	<u>16,343.56</u>
Total Income	<u>1,399.96</u>	<u>150,308.21</u>	<u>60,167.03</u>	<u>117,302.19</u>	<u>148,197.71</u>	<u>97,407.50</u>	<u>574,782.60</u>
Cost of Goods Sold							
6000 · Cost of Goods Sold							
6000.10 · Subcontractor	2,571.40	1,933.60	12,755.58	50,934.65	52,996.92	27,654.25	148,846.40
6000.20 · Internet Connectivity Service	0.00	800.58	20,059.06	29,172.46	27,883.17	24,823.10	102,738.37
6000.30 · Sales Commissions	0.00	0.00	3,000.00	1,500.00	0.00	0.00	4,500.00
6000 · Cost of Goods Sold - Other	6,790.29	149,401.54	53,611.99	46,551.60	31,465.70	11,069.96	298,891.08
Total 6000 · Cost of Goods Sold	<u>9,361.69</u>	<u>152,135.72</u>	<u>89,426.63</u>	<u>128,158.71</u>	<u>112,345.79</u>	<u>63,547.31</u>	<u>554,975.85</u>
Total COGS	<u>9,361.69</u>	<u>152,135.72</u>	<u>89,426.63</u>	<u>128,158.71</u>	<u>112,345.79</u>	<u>63,547.31</u>	<u>554,975.85</u>
Gross Profit	<u>-7,961.73</u>	<u>-1,827.51</u>	<u>-29,259.60</u>	<u>-10,856.52</u>	<u>35,851.92</u>	<u>33,860.19</u>	<u>19,806.75</u>

Nowyr Inc
Profit & Loss
January 2004 through June 2009

	<u>Jan - Dec 04</u>	<u>Jan - Dec 05</u>	<u>Jan - Dec 06</u>	<u>Jan - Dec 07</u>	<u>Jan - Dec 08</u>	<u>Jan - Jun 09</u>	<u>TOTAL</u>
Expense							
6100 · Plant Specific Operations							
6110 · Network Support							
6110.11 · Vehicle Expenses	952.30	8,407.97	5,272.56	7,040.94	20,632.12	4,650.88	46,956.77
Total 6110 · Network Support	<u>952.30</u>	<u>8,407.97</u>	<u>5,272.56</u>	<u>7,040.94</u>	<u>20,632.12</u>	<u>4,650.88</u>	<u>46,956.77</u>
6114 · Tools and Other Work Equipment	250.24	189.12	176.34	168.70	1,540.63	0.00	2,325.03
6120 · General Support							
6121 · Land and Building Expense	0.00	15.25	481.26	3,651.02	223.77	0.00	4,371.30
6123 · Office Equipment Expense	470.26	872.65	691.62	130.98	20.44	0.00	2,185.95
6124 · General Purpose Computers	14.95	1,208.53	536.66	966.03	130.55	315.69	3,172.41
Total 6120 · General Support	<u>485.21</u>	<u>2,096.43</u>	<u>1,709.54</u>	<u>4,748.03</u>	<u>374.76</u>	<u>315.69</u>	<u>9,729.66</u>
6100 · Plant Specific Operations - Other	0.00	0.00	0.00	0.00	0.00	31.00	31.00
Total 6100 · Plant Specific Operations	<u>1,687.75</u>	<u>10,693.52</u>	<u>7,158.44</u>	<u>11,957.67</u>	<u>22,547.51</u>	<u>4,997.57</u>	<u>59,042.46</u>
6500 · Plant Non Specific Operations							
6510 · Other Property P&E							
6510.10 · Provisioning	286.00	59.23	0.00	66.42	0.00	0.00	411.65
Total 6510 · Other Property P&E	<u>286.00</u>	<u>59.23</u>	<u>0.00</u>	<u>66.42</u>	<u>0.00</u>	<u>0.00</u>	<u>411.65</u>
6530 · Network Operations							
6530.30 · Power	0.00	0.00	0.00	0.00	372.27	0.00	372.27
6530.40 · Other	0.00	0.00	0.00	0.00	39.98	69.69	109.67
6530 · Network Operations - Other	0.00	0.00	0.00	0.00	250.00	0.00	250.00
Total 6530 · Network Operations	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>662.25</u>	<u>69.69</u>	<u>731.94</u>
Total 6500 · Plant Non Specific Operations	<u>286.00</u>	<u>59.23</u>	<u>0.00</u>	<u>66.42</u>	<u>662.25</u>	<u>69.69</u>	<u>1,143.59</u>
6560 · Depreciation and Amortization	33,410.00	30,641.00	0.00	0.00	0.00	0.00	64,051.00
6600 · Customer Operations							
6610 · Marketing	17,409.67	12,409.53	7,861.34	4,024.81	3,640.90	1,839.28	47,185.53
Total 6600 · Customer Operations	<u>17,409.67</u>	<u>12,409.53</u>	<u>7,861.34</u>	<u>4,024.81</u>	<u>3,640.90</u>	<u>1,839.28</u>	<u>47,185.53</u>
66900 · Reconciliation Discrepancies	0.00	0.00	0.00	0.00	0.00	-0.01	-0.01
6700 · Corporation Operations							
6701 · Payroll Expenses							
6702 · Salary Expense	21,710.92	75,706.11	63,643.61	0.00	22,815.41	12,199.42	196,075.47
6703 · FUTA Tax Expenses	144.25	375.92	396.74	0.00	55.44	47.72	1,020.07
6704 · 941 Taxes	1,660.87	5,791.48	4,868.96	0.00	1,674.78	857.25	14,853.34
6705 · SUTA Taxes	668.69	2,331.75	4,725.12	0.00	1,309.67	693.40	9,728.63

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	<u>Jan - Dec 04</u>	<u>Jan - Dec 05</u>	<u>Jan - Dec 06</u>	<u>Jan - Dec 07</u>	<u>Jan - Dec 08</u>	<u>Jan - Jun 09</u>	<u>TOTAL</u>
6706 · Labor & Industries	483.73	2,275.60	1,587.88	320.58	3,259.09	368.09	8,294.97
Total 6701 · Payroll Expenses	24,668.46	86,480.86	75,222.31	320.58	29,114.39	14,165.88	229,972.48
6710 · Executive and Planning							
6710.10 · Insurance	3,060.09	11,114.19	11,364.28	14,170.84	10,997.00	2,794.26	53,500.66
6710.20 · Licenses and Permits	244.75	1,145.77	35.00	210.00	157.75	833.89	2,627.16
6710.30 · Training and Education	0.00	193.50	273.47	0.00	3,180.00	0.00	3,646.97
Total 6710 · Executive and Planning	3,304.84	12,453.46	11,672.75	14,380.84	14,334.75	3,628.15	59,774.79
6720 · General and Administrative							
6720.10 · Accounting & Finance							
6720.11 · Telephone							
6720.13 · Cell Phone	0.00	0.00	0.00	0.00	1,764.09	1,709.24	3,473.33
6720.11 · Telephone - Other	4,687.52	12,153.23	13,898.73	7,710.78	2,013.24	629.05	41,092.55
Total 6720.11 · Telephone	4,687.52	12,153.23	13,898.73	7,710.78	3,777.33	2,338.29	44,565.88
6720.12 · Bank Fees	818.03	2,377.53	2,688.27	1,837.15	2,493.42	137.26	10,351.66
6720.10 · Accounting & Finance - Other	1,596.50	7,541.75	2,745.50	56,155.95	43,574.17	5,290.65	116,904.52
Total 6720.10 · Accounting & Finance	7,102.05	22,072.51	19,332.50	65,703.88	49,844.92	7,766.20	171,822.06
6720.20 · Information Management	201.28	0.00	0.00	0.00	0.00	0.00	201.28
6720.30 · Legal	684.43	6,282.08	1,340.50	183.00	0.00	259.00	8,749.01
6720.40 · External Relations	579.20	0.00	0.00	0.00	0.00	0.00	579.20
6720.50 · Other							
6720.51 · Rent	5,205.00	19,358.70	16,262.71	20,206.75	24,463.35	12,716.29	98,212.80
6720.52 · Office Supplies	559.07	1,367.20	1,925.37	960.14	1,213.16	648.72	6,673.66
6720.53 · Meals & Entertainment	13,832.39	3,131.44	2,515.45	3,704.62	2,649.18	772.79	26,405.87
6720.54 · Expense Reimbursements	1,799.96	300.14	0.00	0.00	0.00	0.00	2,100.10
6720.55 · Postage	108.50	930.36	886.52	1,161.97	1,004.43	447.21	4,538.99
6720.56 · Travel and Parking	210.00	5,616.43	2,149.53	2,563.08	2,544.34	553.79	13,637.17
6720.57 · Dues and Subscriptions	0.00	411.56	0.00	0.00	0.00	0.00	411.56
6720.58 · Utilities	0.00	0.00	1,340.57	6,086.68	7,370.48	6,254.94	21,052.67
6720.60 · Coastal Tower LLC	646.56	1,252.68	1,374.52	508.32	0.00	0.00	3,782.08
6720.61 · Contributions	500.00	0.00	0.00	100.00	0.00	0.00	600.00
6720.50 · Other - Other	181.52	690.76	0.02	85.95	0.00	0.00	958.25
Total 6720.50 · Other	22,843.00	33,059.27	26,454.69	35,377.51	39,244.94	21,393.74	178,373.15
Total 6720 · General and Administrative	31,409.96	61,413.86	47,127.69	101,264.39	89,089.86	29,418.94	359,724.70
Total 6700 · Corporation Operations	59,383.26	160,348.18	134,022.75	115,965.81	132,539.00	47,212.97	649,471.97
7200 · Operating Taxes							

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7200.42 - Operating Miscellaneous Taxes	0.00	0.00	453.65	0.00	-3,939.47	600.00	-2,885.82
7200 - Operating Taxes - Other	0.00	0.00	0.00	0.00	0.00	713.12	713.12
Total 7200 - Operating Taxes	0.00	0.00	453.65	0.00	-3,939.47	1,313.12	-2,172.70
9999 - Uncategorized Expenses	0.00	0.00	0.00	0.00	1,509.58	195.00	1,704.58
Total Expense	112,176.68	214,151.46	149,496.18	132,014.71	156,959.77	55,627.62	820,426.42
Net Ordinary Income	-120,138.41	-215,978.97	-178,755.78	-142,871.23	-121,107.85	-21,767.43	-800,619.67
Other Income/Expense							
Other Income							
7300 - Nonoperating Income and Expense							
7300.20 - Interest Income	0.00	0.00	0.00	0.00	0.11	0.00	0.11
Total 7300 - Nonoperating Income and Expense	0.00	0.00	0.00	0.00	0.11	0.00	0.11
Total Other Income	0.00	0.00	0.00	0.00	0.11	0.00	0.11
Other Expense							
7500 - Interest and Related Items	0.00	0.00	0.00	0.00	184.22	0.00	184.22
Total Other Expense	0.00	0.00	0.00	0.00	184.22	0.00	184.22
Net Other Income	0.00	0.00	0.00	0.00	-184.11	0.00	-184.11
Net Income	-120,138.41	-215,978.97	-178,755.78	-142,871.23	-121,291.96	-21,767.43	-800,803.78

Nowyr Inc
Balance Sheet
 As of June 30, 2009

	<u>Jun 30, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
1120 · Cash and Equivalents	
1120.10 · Wells Fargo 2880	1,855.35
1120.12 · Heritage Bank 3519	55.89
Total 1120 · Cash and Equivalents	<u>1,911.24</u>
Total Checking/Savings	1,911.24
Accounts Receivable	
1170 · Receivables	
1170.10 · Loan Receivable Christine Bain	100.00
1170 · Receivables - Other	3,751.21
Total 1170 · Receivables	<u>3,851.21</u>
Total Accounts Receivable	3,851.21
Other Current Assets	
1200 · Undeposited Funds	90.00
1210 · Plant Construction Assets	232,050.61
1220 · Materials and Supplies	
1220.10 · Materials & Supplies Not Sold	27,230.88
1220 · Materials and Supplies - Other	3,220.45
Total 1220 · Materials and Supplies	<u>30,451.33</u>
Total Other Current Assets	<u>262,591.94</u>
Total Current Assets	268,354.39
Fixed Assets	
2001 · Telecommunications Plant in Svc	1,198.25
2100 · General Support Assets	
2110.20 · Buildings	11,500.00
2110.30 · Furniture and Office Equipments	6,331.47
2110.40 · Vehicles & Other Work Equipment	
2110.41 · Tools	3,673.77
2110.40 · Vehicles & Other Work Equipment - Other	21,898.38
Total 2110.40 · Vehicles & Other Work Equipment	<u>25,572.15</u>
2110.60 · General Purpose Computers	14,695.14
Total 2100 · General Support Assets	<u>58,098.76</u>
2600 · Amortizable Assets	5,057.00
3000 · Accumulated Depreciation	-64,051.00
Total Fixed Assets	<u>303.01</u>
TOTAL ASSETS	<u><u>268,657.40</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
4011 · Accts Payable	
4011.21 · A/P to Non Affiliated Companies	1,160.28
Total 4011 · Accts Payable	<u>1,160.28</u>
Total Accounts Payable	1,160.28

Nowyr Inc
Balance Sheet
As of June 30, 2009

	<u>Jun 30, 09</u>
Other Current Liabilities	
4080 · Other Taxes Accrued	
4080.60 · Sales Tax Payable	463.05
Total 4080 · Other Taxes Accrued	<u>463.05</u>
Total Other Current Liabilities	<u>463.05</u>
Total Current Liabilities	1,623.33
Long Term Liabilities	
4210 · Long Term Debt	
4210.15 · Loan from Shareholder	1,032,837.85
4210.25 · Loan Payable Wells Fargo	25,000.00
Total 4210 · Long Term Debt	<u>1,057,837.85</u>
Total Long Term Liabilities	<u>1,057,837.85</u>
Total Liabilities	1,059,461.18
Equity	
Retained Earnings	-779,036.35
4540 · Stockholders Capital	
4540.11 · Capital Stock Subscribed	10,000.00
Total 4540 · Stockholders Capital	<u>10,000.00</u>
Net Income	-21,767.43
Total Equity	<u>-790,803.78</u>
TOTAL LIABILITIES & EQUITY	<u><u>268,657.40</u></u>