



Nations Cry

Annual Financial Statements

June 30, 2006

Statement of Financial Position
At June 30, 2006

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 100	\$ 246	\$ 6	\$ 352
Long-term					
Investments		-	48,517	1,238	49,755
		\$ 100	\$ 48,763	\$ 1,244	\$ 50,107
Liabilities					
Current					
		\$ -	\$ -	\$ -	\$ -
Long-term					
		-	-	-	-
		\$ -	\$ -	\$ -	\$ -
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Externally restricted	3	-	48,763	1,244	50,007
Internally restricted		-	-	-	-
Unrestricted		100	-	-	100
		\$ 100	\$ 48,763	\$ 1,244	\$ 50,107

The accompanying notes form an integral part of these consolidated financial statements

Statement of Operations and Changes in Fund Balances
Year Ended June 30, 2006

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 100	\$ -	\$ -	\$ 100
Investment income (loss)		-	(234)	6	(240)
		\$ 100	\$ (234)	\$ 6	\$ (140)
Expenses					
		\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenses					
		\$ 100	\$ (234)	\$ (6)	\$ (140)
Fund balances, beginning					
Endowment contributions		-	48,997	1,250	50,247
Fund transfers		-	-	-	-
Fund balances, ending		\$ 100	\$ 48,763	\$ 1,244	\$ 50,107

The accompanying notes form an integral part of these consolidated financial statements

Statement of Cash Flows
For the Years Ended June 30

(Canadian dollars - Unaudited)

	Note	2006	2005
Operating Activities			
Excess (deficiency) of revenues over expenses		\$ 100	\$ -
Financing and Investing Activities			
Endowment contributions		50,247	-
Purchase of investments		(49,995)	-
Cash generated by financing activities		\$ 252	\$ -
Net increase in cash		\$ 352	\$ -
Cash, beginning of year		-	-
Cash, end of year		\$ 352	\$ -

The accompanying notes form an integral part of these consolidated financial statements

Notes to the Financial Statements

Year Ended June 30, 2006

(US dollars - Unaudited)

1. NATURE OF OPERATIONS

Nations Cry (the "Charity") is a humanitarian organization that addresses humanitarian needs with long-term sustainable solutions. Nations Cry, a Canadian federally incorporated company, is a registered Charity with the Canada Revenue Agency. Nations Cry endeavours to feed, clothe, house, rehabilitate, educate and save men, women and children around the world. During its fiscal year ended 2006, Nations Cry continued to build its administrative endowment fund while searching for suitable organizations to partner with for the purpose of attaining its mission. It is anticipated that donations will be sufficient during 2007 to begin physical operations which will include obtaining partners, making donations to qualified donees, raising awareness of important issues and gathering information for future activities.

2. ACCOUNTING POLICIES

(a) *Canadian generally accepted accounting principles*

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

(b) *Not-for-profit accounting method*

Nations Cry follows the deferral method of accounting for contributions.

(c) *Fund accounting*

- i. Revenue and expenses relating to program delivery and administrative activities are reported in the Operating Fund.
- ii. General Endowment and the Storehouse Endowment contributions are recorded in the respective fund. Investment income earned on the resources of these funds is reported in the Operating Fund so long as the balance of the General Endowment and the Storehouse Endowment funds are greater than or equal to the total contributions made to those funds, life-to-date.

(d) *Revenue recognition*

- i. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- ii. Endowment contributions are recognized as direct increases in the Endowment Fund balance.

(e) *Investments*

Investments are recorded at the lower of amortized cost and market value.

(f) *Contributed Services*

Volunteers contribute about 100 hours per year to assist Nations Cry in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. EXTERNALLY RESTRICTED FUNDS

The balance included in externally restricted funds for the General Endowment and the Storehouse Endowment differ from the life-to-date endowment fund contributions due to the net investment loss of \$234 and \$6 respectively.

4. RELATED PARTY TRANSACTIONS

During the year, directors and officers of Nations Cry made donations totalling \$23,997 representing 47.6% of all donations during the year.

CANADA – HEAD OFFICE

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DIRECTORS

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