



## **Nations Cry**

Annual Financial Statements

June 30, 2007

Statement of Financial Position  
At June 30, 2007 and 2006  
(Canadian dollars - Unaudited)

<b>As at June 30, 2007</b>	Note	<b>Operating Fund</b>	<b>General Endowment</b>	<b>Storehouse Endowment</b>	<b>Total</b>
<b>Assets</b>					
Current					
Cash		\$ -	\$ 1,100	\$ -	\$ 1,100
Long-term					
Investments	3	-	77,410	1,358	78,767
		\$ -	\$ 78,510	\$ 1,358	\$ 79,867
<b>Liabilities</b>					
Current					
		\$ -	\$ -	\$ -	\$ -
Long-term					
		-	-	-	-
		\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes	4	-	75,377	1,250	76,627
Internally restricted		-	-	-	-
Unrestricted		-	3,132	108	3,240
		\$ -	\$ 78,509	\$ 1,358	\$ 79,867
<b>As at June 30, 2006</b>					
<b>Assets</b>					
Current					
Cash		\$ 100	\$ 246	\$ 6	\$ 352
Long-term					
Investments		-	48,517	1,238	49,755
		\$ 100	\$ 48,763	\$ 1,244	\$ 50,107
<b>Liabilities</b>					
Current					
		\$ -	\$ -	\$ -	\$ -
Long-term					
		-	-	-	-
		\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>					
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

Statement of Operations and Changes in Fund Balances  
 Years Ended June 30, 2007 and 2006

(Canadian dollars - Unaudited)

<b>Year Ended June 30, 2007</b>	Note	<b>Operating Fund</b>	<b>General Endowment</b>	<b>Storehouse Endowment</b>	<b>Total</b>
<b>Revenues</b>					
General contributions		\$ -	\$ -	\$ -	\$ -
Investment income (loss)		-	6,577	114	<b>6,691</b>
		\$ -	\$ 6,577	\$ 114	\$ <b>6,691</b>
<b>Expenses</b>					
		\$ 100	\$ 3,210	\$ -	\$ <b>3,310</b>
<b>Excess (deficiency) of revenues over expenses</b>					
		\$ (100)	\$ 3,367	\$ 114	\$ <b>3,381</b>
<b>Fund balances, beginning</b>					
		\$ 100	\$ 48,763	\$ 1,244	\$ <b>50,107</b>
Endowment contributions		-	26,380	-	<b>26,380</b>
Fund transfers		-	-	-	-
Fund balances, ending		\$ -	\$ 78,510	\$ 1,358	\$ <b>79,868</b>
<b>Year Ended June 30, 2006</b>					
	Note	<b>Operating Fund</b>	<b>General Endowment</b>	<b>Storehouse Endowment</b>	<b>Total</b>
<b>Revenues</b>					
General contributions		\$ 100	\$ -	\$ -	\$ <b>100</b>
Investment income (loss)		-	(234)	6	<b>(240)</b>
		\$ 100	\$ (234)	\$ 6	\$ <b>(140)</b>
<b>Expenses</b>					
		\$ -	\$ -	\$ -	\$ -
<b>Excess (deficiency) of revenues over expenses</b>					
		\$ 100	\$ (234)	\$ (6)	\$ <b>(140)</b>
<b>Fund balances, beginning</b>					
		\$ -	\$ -	\$ -	\$ -
Endowment contributions		-	48,997	1,250	<b>50,247</b>
Fund transfers		-	-	-	-
Fund balances, ending		\$ 100	\$ 48,763	\$ 1,244	\$ <b>50,107</b>

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	2007	2006	2005
<b>Operating Activities</b>				
Excess (deficiency) of revenues over expenses		\$ 3,310	\$ 100	\$ -
Unrealized investment income		(6,690)	-	-
Cash generated by (applied to) operating activities		(3,380)	100	-
<b>Financing and Investing Activities</b>				
Endowment contributions		26,380	50,247	-
Purchase of investments		(22,252)	(49,995)	-
Cash generated by financing activities		4,128	252	-
Net increase in cash		748	352	-
Cash, beginning of year		352	-	-
Cash, end of year		\$ 1,100	\$ 352	\$ -

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

**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. ENDOWMENT FUNDS

(a) *General Endowment*

The General Endowment fund is funded by directors, volunteers and other individuals close to the Charity. The vast majority of investment income from the General Endowment fund is spent on the end cause, while a portion is used to cover any administrative expenses that may be incurred.

(b) *Storehouse*

The Storehouse is Nations Cry's primary endowment fund for receiving donations from the general public and it a vital part of the Charity's structure. When a donation is made to the Storehouse the funds are invested and the investment proceeds are used exclusively for humanitarian / mission projects. The initial funds are never spent allowing the donor to leave a legacy that will continue indefinitely. No investment income ever earned from the Storehouse will ever be spend on administrative overhead, allowing donors to be confident that 100% of their donations, and the investment income earned once those donations are invested, will go to the end cause.

### 4. 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.

### 5. RELATED PARTY TRANSACTIONS

During the year, directors and officers of Nations Cry made donations totalling \$12,500 (2006 - \$23,997) representing 47.4% (2006 - 47.6%) of all donations during the year.

**CANADA – HEAD OFFICE**

Nations Cry  
14846 57B Ave,  
Surrey BC, Canada  
V4P-1T5

Telephone: (604) 561-3043

Website: [www.nationscry.com](http://www.nationscry.com)

**DIRECTORS**

Scott McTaggart  
Brad Paras  
Nolan Watson