



Nations Cry

Annual Financial Statements

June 30, 2008

Statement of Financial Position
At June 30, 2008 and 2007

(Canadian dollars - Unaudited)

As at June 30, 2008	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 3,512	\$ 1,100	\$ 5,038	\$ 9,650
Long-term					
Investments	3	-	70,267	1,232	71,499
		\$ 3,512	\$ 71,367	\$ 6,270	\$ 81,148
Liabilities					
Current					
		\$ 409	\$ -	\$ -	\$ 409
Long-term					
		-	-	-	-
		\$ 409	\$ -	\$ -	\$ 409
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes	4	-	71,367	6,270	77,637
Internally restricted		-	-	-	-
Unrestricted		3,103	-	-	3,103
		3,103	71,367	6,270	80,739
		\$ 3,512	\$ 71,367	\$ 6,270	\$ 81,148
As at June 30, 2007					
Assets					
Current					
Cash		\$ -	\$ 1,100	\$ -	\$ 1,100
Long-term					
Investments	3	-	77,410	1,357	78,767
		\$ -	\$ 78,510	\$ 1,357	\$ 79,867
Liabilities					
Current					
		\$ -	\$ -	\$ -	\$ -
Long-term					
		-	-	-	-
		\$ -	\$ -	\$ -	\$ -
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Externally restricted	3	-	75,377	1,250	76,627
Internally restricted		-	-	-	-
Unrestricted		-	3,133	107	3,240
		-	78,510	1,357	79,867
		\$ -	\$ 78,510	\$ 1,357	\$ 79,867

Statement of Operations and Changes in Fund Balances
 Years Ended June 30, 2008 and 2007

(Canadian dollars - Unaudited)

Year Ended June 30, 2008	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 12,999	\$ -	\$ -	\$ 12,999
Investment income (loss)		3	(7,143)	(125)	(7,266)
		\$ 13,002	\$ (7,143)	\$ (125)	\$ 5,733
Expenses					
		\$ 9,899	\$ -	\$ -	\$ 9,899
Excess (deficiency) of revenues over expenses					
		\$ 3,103	\$ (7,143)	\$ (125)	\$ (4,166)
Fund balances, beginning					
Endowment contributions		-	78,510	1,357	\$ 79,867
Fund transfers		-	-	5,038	5,038
Fund balances, ending		-	-	-	-
		\$ -	\$ 71,367	\$ 6,270	\$ 80,739
Year Ended June 30, 2007					
	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ -	\$ -	\$ -	\$ -
Investment income (loss)		-	6,577	114	6,691
		\$ -	\$ 6,577	\$ 114	\$ 6,691
Expenses					
		\$ 100	\$ 3,210	\$ -	\$ 3,310
Excess (deficiency) of revenues over expenses					
		\$ (100)	\$ 3,367	\$ 114	\$ 3,381
Fund balances, beginning					
Endowment contributions		100	48,763	1,244	\$ 50,107
Fund transfers		-	26,380	-	26,380
Fund balances, ending		-	-	-	-
		\$ -	\$ 78,510	\$ 1,358	\$ 79,868

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	2008	2007	2006
Operating Activities				
Excess (deficiency) of revenues over expenses		\$ (4,166)	\$ 3,310	\$ 100
Unrealized investment loss (income)		7,268	(6,690)	-
		3,102	(3,380)	100
(Increase) decrease in working capital		409	-	-
Cash generated by (applied to) operating activities		3,512	(3,380)	100
Financing and Investing Activities				
Endowment contributions		5,038	26,380	50,247
Purchase of investments		-	(22,252)	(49,995)
Cash generated by financing activities		5,038	4,128	252
Net increase in cash		8,550	748	352
Cash, beginning of year		1,100	352	-
Cash, end of year		\$ 9,650	\$ 1,100	\$ 352

Notes to the Financial Statements

Year Ended June 30, 2008

(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 2008, Nations Cry partnered with International Dove ("Dove") at its orphanage in Sierra Leone. It is anticipated that donations will be sufficient during 2009 to establish a school in Sierra Leone for the children at Dove's orphanage.

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 life-to-date net investment loss of \$7,377 and \$131 respectively.

5. RELATED PARTY TRANSACTIONS

During the year, directors and officers of Nations Cry made donations totalling \$4,399 (2007 - \$12,500) representing 34% (2006 - 47%) of all donations during the year. In addition, at June 30, 2008, \$409 was owing to an officer of the company for expenses incurred on behalf of Nations Cry that had not yet been reimbursed.

CANADA – HEAD OFFICE

Nations Cry
14846 57B Ave,
Surrey BC, Canada
V3S-8W5
Telephone: (604) 561-3043
Website: www.nationscry.com

DIRECTORS

Scott McTaggart
Brad Paras
Nolan Watson