



Nations Cry

Annual Financial Statements

June 30, 2010

Statement of Financial Position
As at June 30, 2010

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 235,020	\$ 1,100	\$ 10,038	\$ 246,158
Accounts receivable		7,419	-	-	7,419
Investments (held for trading)	3	88,680	162,766	79,971	331,417
Long-term					
Land, buildings and equipment		31,190	-	-	31,190
		\$ 362,309	\$ 163,866	\$ 90,009	\$ 616,184
Liabilities					
Current					
		\$ 32,760	\$ -	\$ -	\$ 32,760
Long-term					
		-	-	-	-
		\$ 32,760	\$ -	\$ -	\$ 32,760
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment	4	-	163,866	82,697	246,563
Internally restricted		-	-	-	-
Unrestricted		329,549	-	7,312	336,861
		329,549	163,866	90,009	583,424
		\$ 362,309	\$ 163,866	\$ 90,009	\$ 616,184

Statement of Financial Position
As at June 30, 2009

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 79,669	\$ 1,100	\$ 5,038	\$ 85,807
Accounts receivable		7,419	-	-	7,419
Long-term					
Investments	3	-	69,640	74,888	144,528
		\$ 87,088	\$ 70,740	\$ 79,926	\$ 237,754
Liabilities					
Current					
		\$ 409	\$ -	\$ -	\$ 409
Long-term					
		-	-	-	-
		\$ 409	\$ -	\$ -	\$ 409
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes	4	-	70,740	76,377	147,117
Internally restricted		-	-	-	-
Unrestricted		86,679	-	3,549	90,228
		86,679	70,740	79,926	237,345
		\$ 87,088	\$ 70,740	\$ 79,926	\$ 237,754

Statement of Operations and Changes in Fund Balances
 Years Ended June 30, 2010 and 2009

(Canadian dollars - Unaudited)

Year Ended June 30, 2010	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 268,853	\$ -	\$ -	\$ 268,853
Investment income (loss)		(8,650)	(8,274)	5,083	(11,841)
		\$ 260,203	\$ (8,274)	\$ 5,083	\$ 257,012
Expenses					
		\$ 17,333	\$ -	\$ -	\$ 17,333
Excess (deficiency) of revenues over expenses					
		\$ 242,870	\$ (8,274)	\$ 5,083	\$ 239,679
Fund balances, beginning					
		\$ 86,679	\$ 70,740	\$ 79,926	\$ 237,345
Endowment contributions					
		-	101,400	5,000	106,400
Fund transfers					
		-	-	-	-
Fund balances, ending					
		\$ 329,549	\$ 163,866	\$ 90,009	\$ 583,424

Year Ended June 30, 2009	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 94,836	\$ -	\$ -	\$ 94,836
Investment income (loss)		27	(627)	3,656	3,057
		\$ 95,863	\$ (627)	\$ 3,656	\$ 97,893
Expenses					
		\$ 11,287	\$ -	\$ -	\$ 11,287
Excess (deficiency) of revenues over expenses					
		\$ 83,576	\$ (627)	\$ 3,656	\$ 86,606
Fund balances, beginning					
		\$ 3,103	\$ 71,367	\$ 6,270	\$ 80,740
Endowment contributions					
		-	-	70,000	70,000
Fund transfers					
		-	-	-	-
Fund balances, ending					
		\$ 86,679	\$ 70,740	\$ 79,926	\$ 237,345

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	2009	2009	2008
Operating Activities				
Excess (deficiency) of revenues over expenses		\$ 239,679	\$ 86,606	\$ (4,166)
Unrealized investment loss (income)		11,891	(3,029)	7,268
		251,570	83,577	3,102
(Increase) decrease in working capital		32,351	(7,419)	409
Cash generated by (applied to) operating activities		283,921	76,158	3,512
Financing and Investing Activities				
Cash contributions to Endowment Funds		5,000	-	5,038
Purchase of investments		(97,380)	-	-
Investment in land, buildings and equipment		(31,190)	-	-
Cash used by financing and investing activities		(123,570)	-	5,038
Net increase in cash		160,351	76,158	8,550
Cash, beginning of year		85,807	9,650	1,100
Cash, end of year		\$ 246,158	\$ 85,807	\$ 9,650

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

Notes to the Financial Statements

Year Ended June 30, 2010

(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 2010, Nations Cry began building a school, which it plans to operate, for a group of orphans in Sierra Leone, Africa.

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. INVESTMENTS

As at June 30, 2010	Operating Fund	General Endowment	Storehouse Endowment	Total
Investments (held for trading)				
Osisko Mining Corp	\$ 11,480	\$ -	\$ -	\$ 11,480
PH&N Bond Fund	-	32,696	35,160	67,856
PH&N Dividend Income Fund	-	11,693	12,575	24,268
PH&N Cdn Equity Fund	-	13,623	14,651	28,273
PH&N Global Equity Fund	-	16,354	17,585	33,939
Sandstorm Resources	74,860	88,400	-	163,260
Sandstorm Metals & Energy	2,340	-	-	2,340
	\$ 88,680	\$ 162,766	\$ 79,971	\$ 331,417

Held for trading securities, are securities that have either been donated to Nations Cry, and which may be sold in the short term to meet the funding needs of the organization, or are held by Nations Cry in one of its endowment funds and may be sold as the endowment funds investments are managed in the normal course of business. During the year ended June 30, 2010, the losses on investments primarily related to a temporary decrease in the value of shares of Sandstorm Resources Ltd., which were donated to Sandstorm in May 2010. The majority of Nation's Cry's shares in Sandstorm Resources Ltd. were sold at a gain after June 30, 2010.

4. 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. The balance included in externally restricted funds for the General Endowment differs from the life-to-date endowment fund contributions due to the life-to-date net investment loss of \$12,034.

(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.

5. RELATED PARTY TRANSACTIONS

During the year, directors and officers of Nations Cry made donations totalling \$113,888 (2009 - \$78,037) representing 42% (2009 - 47%) of all donations during the year. In addition, at June 30, 2010, \$32,760 was owing to an officer of the company for expenses incurred on behalf of Nations Cry that were reimbursed subsequent to year-end.

CANADA – HEAD OFFICE

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