



Nations Cry

Annual Financial Statements

June 30, 2011

Consolidated Statement of Financial Position
As at June 30, 2011

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 297,122	\$ 124,485	\$ 14,843	\$ 436,450
Investments (Held for Trading)	3	1,648	84,838	96,715	183,201
Long-term					
Land, Buildings and Equipment	4	198,051			198,051
		\$ 496,821	\$ 209,323	\$ 111,559	\$ 817,703
Liabilities					
Current					
	6	\$ 58,830	\$ -	\$ -	\$ 58,830
Long-term					
		-	-	-	-
		\$ 58,830	\$ -	\$ -	\$ 58,830
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes		-	172,695	102,747	275,442
Internally restricted		-	-	-	-
Unrestricted		437,991	36,628	8,812	483,431
		437,991	209,323	111,559	758,873
		\$ 496,821	\$ 209,323	\$ 111,559	\$ 817,703

Consolidated 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	4	31,190	-	-	31,190
		\$ 362,309	\$ 163,866	\$ 90,009	\$ 616,184
Liabilities					
Current					
	6	\$ 32,760	\$ -	\$ -	\$ 32,760
Long-term					
		-	-	-	-
		\$ 32,760	\$ -	\$ -	\$ 32,760
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes	5	-	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

Consolidated Statement of Comprehensive Income and Changes in Fund Balances Years Ended June 30, 2011 and 2010

(Canadian dollars - Unaudited)

Year Ended June 30, 2011	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 201,205	\$ -	\$ -	\$ 201,205
Investment income (loss)		36,877	45,458	10,995	93,329
		\$ 238,081	\$ 45,458	\$ 10,995	\$ 294,534
Expenses					
Depreciation	4	\$ 93,689	\$ -	\$ 195	\$ 93,884
		35,951	-	-	35,951
Excess (deficiency) of revenues over expenses					
		\$ 108,442	\$ 45,458	\$ 10,800	\$ 164,700
Fund balances, beginning					
Endowment contributions		\$ 392,549	\$ 163,866	\$ 90,009	\$ 583,423
Fund transfers		-	-	10,750	10,750
Fund balances, ending		\$ 437,991	\$ 209,323	\$ 111,559	\$ 758,873

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					
Endowment contributions		\$ 86,679	\$ 70,740	\$ 79,926	\$ 237,345
Fund transfers		-	101,400	5,000	106,400
Fund balances, ending		\$ 329,549	\$ 163,866	\$ 90,009	\$ 583,424

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

Consolidated Statement of Cash Flows

For the Years Ended June 30

(Canadian dollars - Unaudited)

	Note	2011	2010	2009
Operating Activities				
Excess (deficiency) of revenues over expenses		\$ 164,700	\$ 239,679	\$ 86,606
Add: Unrealized investment loss (income)		(49,762)	11,891	(3,029)
Add: Depreciation	4	35,951		
		150,889	251,570	83,577
(Increase) decrease in non-cash working capital		122,874	32,351	(7,419)
Cash generated by (applied to) operating activities		273,763	283,921	76,158
Financing and Investing Activities				
Cash contributions to Endowment Funds		5,000	5,000	-
Sale (Purchase) of investments		114,340	(97,380)	-
Investment in land, buildings and equipment	4	(202,811)	(31,190)	-
Cash used by financing and investing activities		(83,471)	(123,570)	-
Net increase in cash		190,292	160,351	76,158
Cash, beginning of year		246,158	85,807	9,650
Cash, end of year		\$ 436,450	\$ 246,158	\$ 85,807

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 educate and transform the children of Sierra Leone. During its fiscal year ended 2011, Nations Cry began completed buildings a school, for a group of orphans in Sierra Leone, Africa. During the same period, Nations Cry purchased land and began building a school in Waterloo, Sierra Leone, Africa.

These consolidated financial statements were authorized for issue by the Board of Directors of the Charity on December 28, 2011.

2. BASIS OF PRESENTATION

(a) *Statement of Compliance*

These consolidated financial statements, including comparatives, have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

(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 respective fund to which the Investment income relates.

(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.

(g) *Land, Building and Equipment*

Land, buildings and equipment are recorded at cost. Buildings and equipment are depreciated over their estimated useful lives. Due to the harsh weather conditions and climate of Sierra Leone, the current estimated useful lives of building structures is five years and the current estimated useful lives of equipment is 3 years.

3. INVESTMENTS

As at June 30, 2011	Operating Fund	General Endowment	Storehouse Endowment	Total
Investments (held for trading)				
PH&N Bond Fund	\$ -	\$ 34,210	\$ 36,789	\$ 70,999
PH&N Dividend Income Fund	-	14,170	15,238	29,408
PH&N Cdn Equity Fund	-	16,234	17,457	33,691
PH&N Global Equity Fund	-	18,581	19,981	38,562
Asia Base Metals Inc.	-	-	7,250	7,250
Sandstorm Metals & Energy	1,648	1,643	-	3,291
	<u>\$ 1,648</u>	<u>\$ 84,838</u>	<u>\$ 96,715</u>	<u>\$ 183,201</u>

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
	<u>\$ 88,680</u>	<u>\$ 162,766</u>	<u>\$ 79,971</u>	<u>\$ 331,417</u>

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, 2011, the investment income relates to increases in the value of its investments from nearly all investment holdings, approximately 40% of which were sold during the year resulting in increases in the cash balances held at June 30, 2011. 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 in May 2010, which were sold at a gain after June 30, 2010.

4. LAND, BUILDINGS AND EQUIPMENT

	Land	Buildings	Equipment	Total
June 30, 2009	\$ -	\$ -	\$ -	\$ -
Additions	3,187	28,003	-	31,190
Depreciation	-	-	-	-
June 30, 2010	3,187	28,003	-	31,190
Additions	70,079	104,207	28,525	202,811
Depreciation	-	(26,442)	(9,508)	(35,951)
June 30, 2011	\$ 73,266	\$ 105,768	\$ 19,017	\$ 198,051

5. 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 income of \$36,628.

(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.

6. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2011, directors and officers of Nations Cry made donations totalling \$8,141 (2010 - \$113,888) representing 4% (2010 - 42%) of all donations during the year. In addition, at June 30, 2011, \$51,615 was owing to officers of the company for expenses incurred on behalf of Nations Cry that were reimbursed subsequent to year-end.

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