



## **Nations Cry**

Annual Financial Statements  
June 30, 2013

Consolidated Statement of Financial Position  
As at June 30, 2013

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
<b>Assets</b>					
Current					
Cash		\$ 110,377	\$ 31,633	\$ -	\$ 142,010
Investments (Held for Trading)	3	73,594	314,196	139,082	526,872
Long-term					
Land, Buildings and Equipment	4	573,693			573,693
		\$ 757,664	\$ 345,829	\$ 139,082	\$ 1,242,575
<b>Liabilities</b>					
Current					
	6	\$ -	\$ -	\$ -	\$ -
Long-term					
		\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes		-	305,895	132,060	437,955
Internally restricted		-	-	-	-
Unrestricted		757,664	39,934	13,622	804,620
		757,664	345,829	139,082	1,242,575
		\$ 757,664	\$ 345,829	\$ 139,082	\$ 1,242,575

Consolidated Statement of Financial Position  
As at June 30, 2012

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
<b>Assets</b>					
Current					
Cash		\$ 406,336	\$ 213,425	\$ 35,652	\$ 655,413
Investments (Held for Trading)	3	58,560	115,148	92,037	265,744
Long-term					
Land, Buildings and Equipment	4	370,789			370,789
		\$ 835,685	\$ 328,573	\$ 127,688	\$ 1,291,946
<b>Liabilities</b>					
Current					
	6	\$ 49,969	\$ -	\$ -	\$ 49,969
Long-term					
		-	-	-	-
		\$ 49,969	\$ -	\$ -	\$ 49,969
<b>Fund balances</b>					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes		-	305,895	124,197	430,092
Internally restricted		-	-	-	-
Unrestricted		785,716	22,678	3,492	811,885
		785,716	328,573	127,688	1,241,977
		\$ 835,685	\$ 328,573	\$ 127,688	\$ 1,291,946

# Consolidated Statement of Comprehensive Income and Changes in Fund Balances Years Ended June 30, 2013 and 2012

(Canadian dollars - Unaudited)

<b>Year Ended June 30, 2013</b>	Note	<b>Operating Fund</b>	<b>General Endowment</b>	<b>Storehouse Endowment</b>	<b>Total</b>
Revenues					
General contributions		\$ 263,844	\$ -	\$ -	\$ 263,844
Investment income (loss)		(133,844)	17,256	3,838	(112,750)
		\$ 130,000	\$ 17,256	\$ 10,438	\$ 151,094
Expenses					
Depreciation	4	\$ 24,971	\$ -	\$ 307	\$ 25,277
		133,082	-	-	133,082
Excess (deficiency) of revenues over expenses					
		\$ (28,052)	\$ 17,256	\$ 3,531	\$ (7,265)
Fund balances, beginning					
Endowment contributions		\$ 785,716	\$ 327,573	\$ 127,688	\$ 1,241,977
Fund transfers		-	-	7,863	7,863
Fund balances, ending		\$ 757,664	\$ 345,829	\$ 139,082	\$ 1,242,572

<b>Year Ended June 30, 2012</b>	Note	<b>Operating Fund</b>	<b>General Endowment</b>	<b>Storehouse Endowment</b>	<b>Total</b>
Revenues					
General contributions		\$ 455,567	\$ -	\$ -	\$ 455,567
Investment income (loss)		16,285	(13,774)	(4,679)	(2,168)
		\$ 471,852	\$ (13,774)	\$ (4,679)	\$ 453,399
Expenses					
Depreciation	4	\$ 58,243	\$ 176	\$ 642	\$ 59,060
		65,884	-	-	65,884
Excess (deficiency) of revenues over expenses					
		\$ 347,725	\$ (13,950)	\$ (5,320)	\$ 328,454
Fund balances, beginning					
Endowment contributions		\$ 437,991	\$ 209,323	\$ 111,559	\$ 758,873
Fund transfers		-	133,200	21,450	154,650
Fund balances, ending		\$ 785,716	\$ 328,573	\$ 127,688	\$ 1,241,977

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	2013	2012	2011
<b>Operating Activities</b>				
Excess (deficiency) of revenues over expenses		\$ (7,265)	\$ 328,484	\$ 164,700
Add: Shares Donated to Operating Fund and held		(85,813)		
Add: Unrealized investment loss (income)		49,684	4,869	(49,762)
Add: Depreciation	4	133,082	65,884	35,951
		<b>89,688</b>	399,208	150,889
(Increase) decrease in non-cash working capital		<b>(49,969)</b>	(65,884)	122,874
Cash generated by (applied to) operating activities		<b>39,719</b>	333,435	273,763
<b>Financing and Investing Activities</b>				
Cash contributions to Endowment Funds		7,863	21,450	5,000
Sale (Purchase) of investments		(225,000)	102,700	114,340
Investment in land, buildings and equipment	4	(335,985)	(238,623)	(202,811)
Cash used by financing and investing activities		<b>(553,122)</b>	(114,473)	(83,471)
Net increase(decrease) in cash		<b>(513,403)</b>	218,963	190,292
Cash, beginning of year		<b>655,413</b>	436,450	246,158
Cash, end of year		\$ <b>142,010</b>	\$ 655,413	\$ 436,450

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

Notes to the Consolidated Financial Statements  
Year Ended June 30, 2013  
(US dollars - Unaudited)

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**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 2012, in addition to its normal operating activities, including youth education, college scholarship programs and the care for orphans, Nations Cry completed the acquisition of property in Waterloo, Sierra Leone, Africa, and began community consultations, site preparation, engineering and design for a community Junior Secondary school.

These consolidated financial statements were authorized for issue by the Board of Directors of the Charity on December 28, 2013.

**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, 2013	Operating Fund	General Endowment	Storehouse Endowment	Total
<b>Investments (held for trading)</b>				
PH&N Cdn Money Market	\$ -	\$ 96,774	\$ 48,368	\$ 145,142
PH&N ST Bond & Mortgage	-	109,984	54,971	164,955
PH&N US Dividend Income Fund	-	41,344	20,664	62,009
PH&N Emg Mkts Eq Class	-	27,667	13,828	41,495
Asia Base Metals Inc.	-	-	1,250	1,250
Sandstorm Metals & Energy	-	2,427	-	2,427
Sandstorm Gold Ltd	52,198	-	-	52,198
Sandstorm Gold Warrants	6,100	-	-	6,100
Midas Gold Corp	4,964	-	-	4,964
Luna Gold	10,332	-	-	10,332
Lowell Copper	-	36,000	-	36,000
	<u>\$ 73,594</u>	<u>\$ 314,196</u>	<u>\$ 139,082</u>	<u>\$ 526,872</u>

As at June 30, 2012	Operating Fund	General Endowment	Storehouse Endowment	Total
<b>Investments (held for trading)</b>				
PH&N Bond Fund	\$ -	\$ 36,985	\$ 39,772	\$ 76,758
PH&N Dividend Income Fund	-	13,583	14,607	28,190
PH&N Cdn Equity Fund	-	14,289	15,366	29,655
PH&N Global Equity Fund	-	17,939	19,291	37,230
Asia Base Metals Inc.	-	-	3,000	3,000
Sandstorm Metals & Energy	-	1,851	-	1,851
Sandstorm Gold Ltd	31,540	-	-	31,540
Sandstorm Gold Warrants	10,700	-	-	10,700
Midas Gold Corp	16,320	-	-	16,320
Waterloo Resources Ltd.	-	30,500	-	30,500
	<u>\$ 58,560</u>	<u>\$ 115,148</u>	<u>\$ 92,036</u>	<u>\$ 265,744</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, 2013, Nations Cry realised investment loss in its Operating Fund of \$133,844 primarily as a result of losses on securities donated during the year, the majority of which were sold during the year. These losses in the Operating Fund were offset by gains of \$17,256 and \$3,838 in the General Endowment Fund and Storehouse Fund respectively, as a result of gains on PH&N investments. As at June 30, 2013, Nations Cry held approximately 79% of total investments in PH&N managed accounts, with the remainder amounts representing shares that were donated. In accordance with its investment policy, Nations Cry does not purchase individual company securities but may hold donated securities from time-to-time.

During the year ended June 30, 2012, Nations Cry realised investment income in its Operating Fund of \$16,285 as a result of gains on securities donated during the year, the majority of which were sold during the year. These gains in the Operating Fund were offset by losses of \$13,774 and \$4,679 in the General Endowment Fund and Storehouse Fund respectively, as a result of losses on securities that were donated, the majority of which were sold during the year ended June 30, 2012.

#### 4. LAND, BUILDINGS AND EQUIPMENT

	Land	Buildings	Equipment	Total
<b>June 30, 2011</b>	<b>\$ 73,266</b>	<b>\$ 105,768</b>	<b>\$ 19,017</b>	<b>\$ 198,051</b>
Additions	88,951	149,672	-	238,623
Depreciation	-	(56,376)	(9,508)	(65,885)
<b>June 30, 2012</b>	<b>\$ 162,217</b>	<b>\$ 199,064</b>	<b>\$ 9,508</b>	<b>\$ 370,789</b>
Additions	-	335,985	-	335,985
Depreciation	-	(123,573)	(9,508)	(133,082)
<b>June 30, 2013</b>	<b>\$ 162,217</b>	<b>\$ 411,476</b>	<b>\$ -</b>	<b>\$ 573,693</b>

#### 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 \$22,678.

(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, 2013, directors and officers of Nations Cry made donations and endowment fund contributions totalling \$47,204 (2012 - \$214,823) representing 18% (2012 - 35%) of all donations and endowment fund contributions during the year. In addition, at June 30, 2013, no amounts (June 30, 2012 - \$42,204) were owing to officers of the company for expenses incurred on behalf of Nations Cry.

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