



**Annual Financial Statements
June 30, 2015**

Consolidated Statement of Financial Position
As at June 30, 2015

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 3,150	\$ 11,633	\$ -	\$ 14,783
Investments (Held for Trading)	3	31,664	312,635	573,598	917,897
Long-term					
Land, Buildings and Equipment	4	407,784	-	-	407,784
		\$ 442,599	\$ 324,268	\$ 573,598	\$ 1,340,465
Liabilities					
Current					
	6	\$ -	\$ -	\$ -	\$ -
Long-term					
		\$ -	\$ -	\$ -	\$ -
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes		-	305,895	573,598	879,493
Internally restricted		-	-	-	-
Unrestricted		442,599	18,373	-	460,972
		442,599	324,268	573,598	1,340,465
		\$ 442,599	\$ 324,268	\$ 573,598	\$ 1,340,465

Consolidated Statement of Financial Position
As at June 30, 2014

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 3,383	\$ 11,633	\$ -	\$ 15,016
Investments (Held for Trading)	3	88,345	296,790	145,495	530,631
Long-term					
Land, Buildings and Equipment	4	550,969	-	-	550,969
		\$ 642,698	\$ 308,423	\$ 145,495	\$ 1,096,616
Liabilities					
Current					
	6	\$ -	\$ -	\$ -	\$ -
Long-term					
		\$ -	\$ -	\$ -	\$ -
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes		-	305,895	132,060	437,955
Internally restricted		-	-	-	-
Unrestricted		642,698	2,528	13,435	658,661
		642,698	308,423	145,495	1,096,616
		\$ 642,698	\$ 308,423	\$ 145,495	\$ 1,096,616

Consolidated Statement of Comprehensive Income and Changes in Fund Balances

Years Ended June 30, 2015 and 2014

(Canadian dollars - Unaudited)

Year Ended June 30, 2015	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 2,032	\$ -	\$ -	\$ 2,032
Investment income (loss)		(32,786)	15,845	(105,423)	(122,364)
		\$ 30,754	\$ 15,854	\$ (105,423)	\$ (120,332)
Expenses					
Depreciation	4	\$ 26,159	\$ -	\$ -	\$ 26,159
		143,185	-	-	143,185
Excess (deficiency) of revenues over expenses					
		\$ (200,099)	\$ 15,854	\$ (105,423)	\$ (289,677)
Fund balances, beginning					
Endowment contributions		\$ 642,689	\$ 308,423	\$ 145,495	\$ 1,096,616
Fund transfers		-	-	533,526	533,526
Fund balances, ending		\$ 442,599	\$ 324,268	\$ 573,598	\$ 1,340,465

Year Ended June 30, 2014	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 13,630	\$ -	\$ -	\$ 13,630
Investment income (loss)		14,774	6,923	6,413	28,110
		\$ 28,404	\$ 6,923	\$ 6,413	\$ 41,740
Expenses					
Depreciation	4	\$ 38,913	\$ -	\$ -	\$ 38,913
		148,786	-	-	148,786
Excess (deficiency) of revenues over expenses					
		\$ (159,295)	\$ 6,923	\$ 6,413	\$ (145,959)
Fund balances, beginning					
Endowment contributions		\$ 757,664	\$ 345,829	\$ 139,082	\$ 1,242,575
Fund transfers		-	-	-	-
Fund balances, ending		\$ 642,698	\$ 308,423	\$ 145,495	\$ 1,096,616

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	2015	2014	2013
Operating Activities				
Excess (deficiency) of revenues over expenses		\$ (289,677)	\$ (145,959)	\$ (7,265)
Add: Shares Donated to Operating Fund and held		-	-	(85,813)
Add: Unrealized investment loss (income)		122,364	(28,087)	49,684
Add: Depreciation	4	143,185	148,786	133,082
		(24,128)	(25,260)	89,688
(Increase) decrease in non-cash working capital		-	-	(49,969)
Cash generated by (applied to) operating activities		(24,128)	(25,260)	39,719
Financing and Investing Activities				
Cash contributions to Endowment Funds		-	-	7,863
Sale (Purchase) of investments		23,895	24,329	(225,000)
Investment in land, buildings and equipment	4	-	(126,062)	(335,985)
Cash Provided by (used by) financing and investing activities		23,895	(101,733)	(553,122)
Net increase(decrease) in cash		(233)	(126,993)	(513,403)
Cash, beginning of year		15,016	142,010	655,413
Cash, end of year		\$ 14,783	\$ 15,016	\$ 142,010

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 2015, Nations Cry focused on its normal operating activities, including youth education, college scholarship programs and the care for orphans in Sierra Leone, Africa.

These consolidated financial statements were authorized for issue by the Board of Directors of the Charity on December 25, 2015.

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, 2015	Operating Fund	General Endowment	Storehouse Endowment	Total
Investments (held for trading)				
PH&N Cdn Money Market	\$ -	\$ 90,241	\$ 46,723	\$ 136,964
PH&N ST Bond & Mortgage	-	58,413	29,195	87,608
PH&N US Dividend Income Fund	-	29,876	14,932	44,808
PH&N US Money Market Fund	-	127,605	63,778	191,383
Anthem United	-	-	160,950	160,950
Sandstorm Gold Ltd	31,664	-	48,339	80,003
Lowell Copper	-	6,500	209,680	216,180
	<u>\$ 31,664</u>	<u>\$ 312,635</u>	<u>\$ 573,598</u>	<u>\$ 917,897</u>

As at June 30, 2014	Operating Fund	General Endowment	Storehouse Endowment	Total
Investments (held for trading)				
PH&N Cdn Money Market	\$ -	\$ 97,417	\$ 48,690	\$ 146,107
PH&N ST Bond & Mortgage	-	56,720	28,349	85,070
PH&N US Dividend Income Fund	-	25,376	12,683	38,059
PH&N US Money Market Fund	-	108,837	54,398	163,235
Asia Base Metals Inc.	-	-	1,375	1,375
Canaccord Money Market	7,770	240	-	8,010
Sandstorm Gold Ltd	63,585	-	-	63,585
Midas Gold Corp	5,576	-	-	5,576
Luna Gold	11,414	-	-	11,414
Lowell Copper	-	8,200	-	8,200
	<u>\$ 88,346</u>	<u>\$ 296,790</u>	<u>\$ 145,495</u>	<u>\$ 530,631</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, 2015, Nations Cry realised investment income in its General Endowment Fund of \$15,845

primarily as a result of gains on securities held in the US dollar denominated PH&N investment accounts. In addition, during the year ended June 30, 2015, Nations Cry realized an investment loss of \$32,786 and \$105,423 in its Operating Fund and Storehouse Endowment Fund respectively, primarily as a result of a decrease in the value of Lowell Copper and Sandstorm Gold shares which were donated during the year. These donated shares relate to resource based companies and such decreases in value are related to resource industry wide factors including decreasing commodity prices. As at June 30, 2015, Nations Cry held approximately 50% 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, 2014, Nations Cry realised investment income in its Operating Fund of \$14,774 primarily as a result of gains on securities held in the PH&N investment accounts. In addition, during the year ended June 30, 2014, Nations Cry realized investment income of \$6,923 and \$6,413 in its General Endowment Fund and Storehouse Endowment Fund respectively, primarily as a result of gains on PH&N investments. As at June 30, 2014, Nations Cry held approximately 82% of total investments in PH&N managed accounts, with the remainder amounts representing shares that were donated.

4. LAND, BUILDINGS AND EQUIPMENT

	Land	Buildings	Total
June 30, 2013	\$ 162,217	\$ 411,476	\$ 573,693
Additions	-	126,062	126,062
Depreciation	-	(148,786)	(148,786)
June 30, 2014	\$ 162,217	\$ 388,752	\$ 550,969
Additions	-	-	-
Depreciation	-	(143,185)	(143,185)
June 30, 2015	\$ 162,217	\$ 245,567	\$ 407,784

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 \$62,702 net of life-to-date transfers to the Operating Fund of \$44,329.

(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. . 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. To date, no transfers have been made from the Storehouse Endowment Fund to the Operating Fund.

6. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2015, directors and officers of Nations Cry made donations and endowment fund contributions totalling 49% of total donations for the year (2014 – 0%). In addition, at June 30, 2015, no amounts (June 30, 2014 - \$nil) were owing to officers of the company for expenses incurred on behalf of Nations Cry.

CANADA – HEAD OFFICE

Nations Cry
16159 28A Ave,
Surrey BC, Canada
V3Z-3Y6
Telephone: (604) 561-3043
Website: www.nationscry.com

DIRECTORS

Scott McTaggart
Denver Harris
Nolan Watson