



nationscry

Annual Financial Statements
June 30, 2017

Consolidated Statement of Financial Position
As at June 30, 2017

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 180,846	\$ 7,852	\$ 360,400	\$ 549,098
Accounts Receivable		2,640	-	-	2,640
Investments (Held for Trading)	3	685,627	275,148	162,354	1,123,130
Long-term					
Land, Buildings and Equipment	4	162,217	-	-	162,217
		\$ 1,031,329	\$ 283,000	\$ 522,754	\$ 1,837,084
Liabilities					
Current					
		\$ -	\$ -	\$ -	\$ 0
Long-term					
		-	-	-	-
		\$ -	\$ -	\$ -	\$ -
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes		-	259,652	445,293	704,945
Internally restricted		-	-	-	-
Unrestricted		1,031,329	23,348	77,462	1,132,139
		1,031,329	283,000	522,755	1,837,084
		\$ 1,031,329	\$ 283,000	\$ 522,755	\$ 1,837,084

Consolidated Statement of Financial Position
As at June 30, 2016

(Canadian dollars - Unaudited)

	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Assets					
Current					
Cash		\$ 30,638	\$ 1,617	\$ -	\$ 32,255
Investments (Held for Trading)	3	54,432	273,658	445,292	773,382
Long-term					
Land, Buildings and Equipment	4	285,440	-	-	285,440
		\$ 370,510	\$ 275,275	\$ 445,293	\$ 1,091,078
Liabilities					
Current					
	6	\$ 4,110	\$ -	\$ -	\$ 4,110
Long-term					
		-	-	-	-
		\$ 4,110	\$ -	\$ -	\$ 4,110
Fund balances					
Invested in capital assets		\$ -	\$ -	\$ -	\$ -
Restricted for endowment purposes		-	259,652	445,293	704,945
Internally restricted		-	-	-	-
Unrestricted		366,400	15,623	-	382,023
		366,400	275,275	445,293	1,086,968
		\$ 370,510	\$ 275,275	\$ 445,293	\$ 1,091,078

Consolidated Statement of Comprehensive Income and Changes in Fund Balances Years Ended June 30, 2017 and 2016

(Canadian dollars - Unaudited)

Year Ended June 30, 2017	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 902,154	\$ -	\$ -	\$ 901,154
Investment income (loss)		15,705	7,726	77,462	100,892
		\$ 917,859	\$ 7,726	\$ 77,462	\$ 1,003,046
Expenses					
Depreciation	4	\$ 129,706	\$ -	\$ -	\$ 129,706
		123,224	-	-	123,224
Excess (deficiency) of revenues over expenses					
		\$ 664,929	\$ 7,726	\$ 77,426	\$ 750,116
Fund balances, beginning					
Endowment contributions		\$ 366,400	\$ 275,275	\$ 445,293	\$ 1,086,968
Fund transfers		-	-	-	-
Fund balances, ending		\$ 1,031,329	\$ 283,000	\$ 522,754	\$ 1,837,084

Year Ended June 30, 2016	Note	Operating Fund	General Endowment	Storehouse Endowment	Total
Revenues					
General contributions		\$ 108,344	\$ -	\$ -	\$ 108,344
Investment income (loss)		(3,934)	(2,750)	(128,305)	(134,990)
		\$ 104,408	\$ (2,750)	\$ (128,305)	\$ (26,647)
Expenses					
Depreciation	4	\$ 104,506	\$ -	\$ -	\$ 104,506
		122,344	-	-	122,344
Excess (deficiency) of revenues over expenses					
		\$ (122,442)	\$ (2,750)	\$ (128,305)	\$ (253,497)
Fund balances, beginning					
Endowment contributions		\$ 442,599	\$ 324,268	\$ 573,598	\$ 1,340,465
Fund transfers		-	-	-	-
Fund balances, ending		\$ 46,243	\$ (46,243)	\$ -	\$ -
		\$ 366,400	\$ 275,275	\$ 445,293	\$ 1,086,968

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	2017	2016	2015
Operating Activities				
Excess (deficiency) of revenues over expenses		\$ 750,166	\$ (253,497)	\$ (289,677)
Add: Shares Sold (Shares Donated to Operating Fund and held)		(645,176)	8,189	-
Add: Unrealized investment loss (income)		(16,836)	134,115	122,364
Add: Depreciation	4	123,224	122,344	143,185
		211,378	11,151	(24,128)
(Increase) decrease in non-cash working capital		6,750	4,110	-
Cash generated by (applied to) operating activities		218,128	15,261	(24,128)
Financing and Investing Activities				
Cash contributions to Endowment Funds		-	-	-
Sale (Purchase) of investments		298,715	2,211	23,895
Investment in land, buildings and equipment	4	-	-	-
Cash Provided by (used by) financing and investing activities		305,465	2,211	23,895
Net increase(decrease) in cash		516,843	17,472	(233)
Cash, beginning of year		32,255	14,783	15,016
Cash, end of year		\$ 549,098	\$ 32,255	\$ 14,783

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 21, 2017.

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 three years.

3. INVESTMENTS

As at June 30, 2017	Operating Fund	General Endowment	Storehouse Endowment	Total
Investments (held for trading)				
PH&N Cdn Money Market	\$ 46,418	\$ 44,479	\$ 47,063	\$ 137,961
PH&N ST Bond & Mortgage	-	59,543	29,760	89,303
PH&N US Dividend Income Fund	-	37,280	18,633	55,913
PH&N US Money Market Fund	-	133,847	66,898	200,745
Kivalliq	131,250	-	-	131,250
Trek Mining	134,029	-	-	134,029
Sandstorm Gold	32,064	-	-	31,918
Leagold Mining	4,290	-	-	4,290
Parex Mining	4,425	-	-	4,425
Mariana Resources	152,950	-	-	152,950
Entrée Gold	180,200	-	-	180,200
	<u>\$ 685,672</u>	<u>\$ 275,149</u>	<u>\$ 162,354</u>	<u>\$ 1,123,130</u>

As at June 30, 2016	Operating Fund	General Endowment	Storehouse Endowment	Total
Investments (held for trading)				
PH&N Cdn Money Market	\$ 46,243	\$ 44,311	\$ 46,886	\$ 137,440
PH&N ST Bond & Mortgage	-	59,442	29,710	89,152
PH&N US Dividend Income Fund	-	32,395	16,191	48,586
PH&N US Money Market Fund	-	132,810	66,380	199,190
Anthem United	-	-	95,700	95,700
Lowell Copper	8,189	4,700	190,426	203,315
	<u>\$ 54,432</u>	<u>\$ 273,659</u>	<u>\$ 445,291</u>	<u>\$ 773,383</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, 2017, Nations Cry realised investment income of \$100,892 primarily as a result of investment

income recognized in the Storehouse Endowment fund of \$77,462 relating to the increase in value of a number of marketable securities including a \$62,196 gain relating to shares held in Lowell Copper which were sold during the year. During the year ended June 30, 2016, Nations Cry realised investment losses in its Storehouse Endowment Fund of \$128,305 as a result of a mark-to-market loss of \$65,491 related to decrease in the value of Lowell Copper shares that had previously been donated to the Storehouse Endowment Fund, as well as a mark-to-market loss of \$65,250 related to a decrease in the fair market value of Anthem United shares that had also been previously donated to the Storehouse Endowment. As at June 30, 2017, Nations Cry held approximately 57% of total investments in securities of various publicly traded companies, the shares of which were donated by various donors during the year. In accordance with its investment policy, Nations Cry does not purchase individual company securities but may hold donated securities from time-to-time. Some of these donated securities have been sold subsequent to year end.

During the year ended June 30, 2016, Nations Cry realised investment losses in its Storehouse Endowment Fund of \$128,305 as a result of a mark-to-market loss of \$65,491 related to decrease in the value of Lowell Copper shares that had previously been donated to the Storehouse Endowment Fund, as well as a mark-to-market loss of \$65,250 related to a decrease in the fair market value of Anthem United shares that had also been previously donated to the Storehouse Endowment. Subsequent to year end, the value of these securities increased by over \$78,000 and the securities were sold subsequent to year end. As at June 30, 2016, Nations Cry held approximately 62% 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, 2015	\$ 162,217	\$ 245,567	\$ 407,784
Additions	-	-	-
Depreciation	-	(122,344)	(122,344)
June 30, 2016	\$ 162,217	\$ 123,223	\$ 285,440
Additions	-	-	-
Depreciation	-	(123,223)	(123,223)
June 30, 2017	\$ 162,217	\$ -	\$ 162,217

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 \$59,952 net of transfers from the fund as 10 year donations, which have been held in excess of 10 years have been transferred to the operating fund.

(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, 2017, directors and officers of Nations Cry made donations and endowment fund contributions totalling 49% of total donations for the year (2016 – 33%). In addition, at June 30, 2016, \$4,110 (June 30, 2015 - \$nil) was owing to officers of the company for expenses incurred on behalf of Nations Cry.

CANADA – HEAD OFFICE

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