

BERMUDA JUNIOR SERVICE LEAGUE

Financial Statements
(With Independent Auditors' Report Thereon)

Year Ended April 30, 2007



KPMG

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the balance sheet of Bermuda Junior Service League ("BJSL") as at April 30, 2007 and the statements of income and expenses and fund balances for the year then ended. These financial statements are the responsibility of BJSL's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, BJSL derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of BJSL and we were not able to determine whether any adjustments might be necessary to fundraising projects income, community services budget, donations income, total net income (deficit) or fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues from donations and fundraising activities referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of BJSL as at April 30, 2007 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.

Chartered Accountants
Hamilton, Bermuda
February 3, 2010

BERMUDA JUNIOR SERVICE LEAGUE

Balance Sheet

April 30, 2007

	<u>2007</u>	<u>2006</u>
Assets		
Current assets		
Bank demand deposit account	\$ 5,000	\$ 5,000
Lines scholarship deposit account	6,750	7,000
Island Thyme reprinting account	12,330	-
Bank checking account	32,488	3,972
Accounts receivable	11,628	3,908
Inventory (net of provision of \$11,928; 2006 - \$nil)	<u>160,576</u>	<u>200,653</u>
 Total assets	 \$ 228,772	 \$ 220,533
	<u><u> </u></u>	<u><u> </u></u>
Liabilities and fund balances		
Current liabilities		
Accrued liabilities	\$ 28,280	\$ 11,936
Unearned AGM & membership dues	<u>540</u>	<u>-</u>
 Total liabilities	 28,820	 11,936
	<u> </u>	<u> </u>
Fund balances		
Community fund	173,124	193,766
General fund	7,748	7,831
Island Thyme reprinting fund	12,330	-
Lines scholarship fund	<u>6,750</u>	<u>7,000</u>
 Total fund balances	 199,952	 208,597
	<u> </u>	<u> </u>
 Total liabilities and fund balances	 \$ 228,772	 \$ 220,533
	<u><u> </u></u>	<u><u> </u></u>

See accompanying notes to financial statements

Signed on behalf of the Executive Committee

_____ President

_____ Treasurer

BERMUDA JUNIOR SERVICE LEAGUE

Statement of Income and Expenses

Year ended April 30, 2007

	<u>Community</u>	<u>Island Thyme reprinting</u>	<u>General</u>	<u>Lines scholarship</u>	<u>Total 2007</u>	<u>Total 2006</u>
Income						
Fundraising projects						
(Schedule 1)	\$ 102,371	\$ -	\$ -	\$ -	\$ 102,371	\$ 205,167
Donations (Note 5)	28,845	-	-	-	28,845	20,330
AGM receipts	-	-	3,286	-	3,286	2,220
Membership dues	-	-	1,865	-	1,865	2,780
T-shirt & pin sales	395	-	-	-	395	840
Miscellaneous	<u>255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>757</u>
Total income	<u>131,866</u>	<u>-</u>	<u>5,151</u>	<u>-</u>	<u>137,017</u>	<u>232,094</u>
Expenses						
Costs of fundraising projects						
(Schedule 1)	48,180	-	-	-	48,180	113,387
Professional fees (Note 5)	28,000	-	-	-	28,000	20,000
Inventory write down	11,928	-	-	-	11,928	-
Community services budget						
(Schedule 2)	11,656	-	-	-	11,656	6,561
Office rent, utilities, repairs	6,323	-	-	-	6,323	9,297
Mrs. Zuill's Scholarship						
(Note 4)	5,910	-	-	-	5,910	10,838
AGM expenses	-	-	4,296	-	4,296	2,296
T-shirt & pin costs	1,471	-	-	-	1,471	1,176
Public relations	1,074	-	-	-	1,074	48
President's budget	-	-	938	-	938	2,953
Miscellaneous	572	-	-	-	572	29
Bank charges	420	-	-	-	420	1,996
Printing, stationery, postage	<u>394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394</u>	<u>1,112</u>
Total expenses	<u>115,928</u>	<u>-</u>	<u>5,234</u>	<u>-</u>	<u>121,162</u>	<u>169,693</u>
Net income (deficit)	15,938	-	(83)	-	15,855	62,401
Donations to the community						
(Schedule 3)	<u>24,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,250</u>	<u>14,035</u>
(Deficit) a net income after donations	(8,312)	-	(83)	-	(8,395)	48,366
Restriction of Community fund to Island Thyme reprinting	(12,330)	12,330	-	-	-	-
Lines scholarship adjustment	-	-	-	-	-	(486)
Lines scholarship payment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>(250)</u>	<u>(250)</u>
Total (deficit) net income	<u>\$ (20,642)</u>	<u>\$ 12,330</u>	<u>\$ (83)</u>	<u>\$ (250)</u>	<u>\$ (8,645)</u>	<u>\$ 47,630</u>

BERMUDA JUNIOR SERVICE LEAGUE

Statement of Fund Balances

Year ended April 30, 2007

	<u>Community</u>	<u>Island Thyme reprinting</u>	<u>General</u>	<u>Lines scholarship</u>	<u>Total 2007</u>	<u>Total 2006</u>
Fund balance at beginning of year	193,766	–	7,831	7,000	208,597	160,967
Total (deficit) net income	<u>(20,642)</u>	<u>12,330</u>	<u>(83)</u>	<u>(250)</u>	<u>(8,645)</u>	<u>47,630</u>
Fund balance at end of year	<u>\$ 173,124</u>	<u>\$ 12,330</u>	<u>\$ 7,748</u>	<u>\$ 6,750</u>	<u>\$ 199,952</u>	<u>\$ 208,597</u>

See accompanying notes to financial statements

BERMUDA JUNIOR SERVICE LEAGUE

Notes to Financial Statements

April 30, 2007

1. **General and operations**

The Bermuda Junior Service League (“BJSJ”) is a registered charitable organization incorporated by the Bermuda Junior Service League Act 1967. BJSJ is an organization of women committed to promoting volunteerism, developing the potential of women, and improving the community in which we live. Its purpose is educational and charitable.

2. **Significant accounting policies**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Bermuda and Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The following are the significant accounting policies adopted by BJSJ:

(a) *Fund accounting*

The organization follows the restricted fund method of accounting for contributions.

The community fund reports the revenues and expenses related to the organization’s fundraising activities.

The general fund accounts for the organization’s program operating and administrative activities. This fund reports revenue from membership dues and all other sources not related to fundraising activities and donations.

The Lines scholarship fund accounts for donations which are externally restricted by donors to pay \$250 a year towards the Diane Lines Scholarship. Any investment income arising from the restricted assets is unrestricted in its use.

The Island Thyme reprinting fund represents funds internally restricted for reprinting future editions of the Island Thyme cookery book.

(b) *Inventory*

Inventory is recorded at the lower of cost and net realizable value, determined on a first-in, first-out (FIFO) basis. Inventories totaling \$11,928 (2006 - \$Nil) were written down during the year.

(c) *Donated services*

Donated services have not been included in the financial statements where, in the opinion of the organization’s management, an estimate of the fair value of such services cannot be reasonably made.

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Notes to Financial Statements

April 30, 2007

3. Fair value of financial instruments

The fair value of financial instruments, which include cash and bank deposits and accounts receivable approximates their carrying value due to their short term nature.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that BJSL would actually realize in a current market exchange. However, any differences would not be expected to be material. Certain items such as inventory, accrued liabilities and unearned AGM and membership dues are excluded from fair value disclosure. Thus the total fair value amounts cannot be aggregated to determine the underlying economic value of BJSL.

4. Mrs. Zuill's Scholarship

During the year ended April 30, 2002, the Board of Directors approved an internal restriction of \$5,000 per year from the revenue generated by Christmas card sales to fund the Mrs. Zuill's Scholarship. The remainder of the scholarship is funded by the other income generating sources. The total expense for the scholarship includes administrative expenses related to the issuance of the scholarship.

5. Professional fees and donations

Professional fees and donations include audit fees in the amount of \$28,000 (2006 - \$20,000) donated to BJSL by KPMG.

6. Statement of cash flows

A statement of cash flows has not been prepared, as management believes it would not provide any useful additional information and information regarding BJSL's cash flows is readily apparent from the other financial statements.

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Schedules to Financial Statements

April 30, 2007

Schedule 1 - Fundraising projects

	<u>Income</u>	<u>Cost of Goods Sold</u>	<u>Expenses</u>	<u>Total Fundraising Costs</u>	<u>Net Fundraising Income (Expense) 2007</u>	<u>Net 2006</u>
Island Thyme	\$ 48,567	\$ 20,138	\$ 3,869	\$ 24,007	\$ 24,560	\$ 29,816
Christmas cards	25,810	-	14,525	14,525	11,285	14,765
Coin drive	10,676	-	1,198	1,198	9,478	168
Bermudian Cookery	10,193	6,174	-	6,174	4,019	2,952
Playing cards	5,158	1,501	-	1,501	3,657	3,906
Chef's night	1,467	-	125	125	1,342	-
Christmas Shopping Night	-	-	-	-	-	324
Rhonda Britton	-	-	-	-	-	(370)
Anniversary Ball	<u>500</u>	<u>-</u>	<u>650</u>	<u>650</u>	<u>(150)</u>	<u>40,219</u>
	<u>\$ 102,371</u>	<u>\$ 27,813</u>	<u>\$ 20,367</u>	<u>\$ 48,180</u>	<u>\$ 54,191</u>	<u>\$ 91,780</u>

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Schedules to Financial Statements

April 30, 2007

Schedule 2 - Community services budget

	<u>Income</u>	<u>Expenses</u>	<u>Net</u> <u>2007</u>	<u>Net</u> <u>2006</u>
Hospital Bag Project	\$ 1,950	\$ 2,318	\$ (368)	\$ 193
Debate	170	1,933	(1,763)	(1,442)
Stuff the bus	<u>—</u>	<u>9,525</u>	<u>(9,525)</u>	<u>(5,312)</u>
	<u>\$ 2,120</u>	<u>\$ 13,776</u>	<u>\$ (11,656)</u>	<u>\$ (6,561)</u>

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Schedules to Financial Statements

April 30, 2007

Schedule 3 – Donations to the community

	<u>2007</u>
Habitat for Humanity Bermuda	\$ 9,500
Linda Sousa	5,000
Jahquae Richardson	3,000
Neverland Foundation	1,500
Outward Bound	1,400
Open Airways	1,100
Age Concern	1,000
Blood Donor Clinic	1,000
Pink Ladies Auxiliary	500
Diane Lines Scholarship	<u>250</u>
	\$ 24,250

	<u>2006</u>
Big Brother, Big Sisters	\$ 6,150
The Family Centre	2,185
In Motion School of Dance	2,000
Outward Bound	1,300
Open Airways	1,000
Windreach Recreational Village	900
Diane Lines Scholarship	250
Bermuda Diabetes Association	<u>250</u>
	\$ 14,035
