

**Audited Financial Statements**

**Bermuda End-to-End**

**July 31, 2008**

## AUDITORS' REPORT

TO THE BOARD OF TRUSTEES

BERMUDA END-TO-END

We have audited the statement of financial position of Bermuda End-to-End (the "Organisation") as at July 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organisation'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 Canadian generally accepted auditing standards. 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.

As with many not-for-profit organisations, the Organisation derives revenue from donations, pledges and loose offerings, 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 the Organisation and we were not able to determine whether any adjustments might be necessary to revenues, surplus of revenues over expenditures, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organisation as at July 31, 2008 and the results of its operations, the changes in net assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Ernst & Young Ltd.*

February 9, 2009

Chartered Accountants


BERMUDA END-TO-END  
STATEMENT OF FINANCIAL POSITION


JULY 31, 2008  
(expressed in Bermuda dollars)

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 123,092	\$ 81,739
Receivables (Note 3)	<u>38,332</u>	<u>5,261</u>
	\$ <u>161,424</u>	\$ <u>87,000</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ <u>1,478</u>	\$ <u>3,775</u>
NET ASSETS		
Internally restricted net assets (Note 4)	85,000	20,000
Unrestricted net assets	<u>74,946</u>	<u>63,225</u>
	<u>159,946</u>	<u>83,225</u>
	\$ <u>161,424</u>	\$ <u>87,000</u>

See accompanying notes

On behalf of the Organisers:

  
Chairman

  
Treasurer

BERMUDA END-TO-END  
STATEMENT OF OPERATIONS  
YEAR ENDED JULY 31, 2008  
(expressed in Bermuda dollars)

	<u>2008</u>	<u>2007</u>
Revenues		
Donations		
Cash and pledges	\$ 281,231	\$ 307,442
Sponsorship and corporate donors	228,400	103,675
Donations-in-kind (Note 5)	10,000	10,000
Bank interest	<u>591</u>	<u>543</u>
	<u>520,222</u>	<u>421,660</u>
Expenditures		
Donations made (Schedule)	244,000	249,566
Operating expenses	189,501	150,484
In-kind expenses (Note 5)	<u>10,000</u>	<u>10,000</u>
	<u>443,501</u>	<u>410,050</u>
Surplus of revenues over expenditures	\$ <u>76,721</u>	\$ <u>11,610</u>

See accompanying notes

BERMUDA END-TO-END  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED JULY 31, 2008  
(expressed in Bermuda dollars)

	2008			2007
	Internally Restricted	Unrestricted	Total	Total
Revenues	\$ -	\$ 520,222	\$ 520,222	\$ 421,660
Expenses	<u>(20,000)</u>	<u>(423,501)</u>	<u>(443,501)</u>	<u>(410,050)</u>
Surplus (deficiency) of revenues over expenditures	(20,000)	96,721	76,721	11,610
Internally imposed restriction (Note 4)	85,000	(85,000)	-	-
Balance, beginning of year	<u>20,000</u>	<u>63,225</u>	<u>83,225</u>	<u>71,615</u>
Balance, end of year	<u>\$ 85,000</u>	<u>\$ 74,946</u>	<u>\$ 159,946</u>	<u>\$ 83,225</u>

See accompanying notes

BERMUDA END-TO-END  
STATEMENT OF CASH FLOWS  
YEAR ENDED JULY 31, 2008  
(expressed in Bermuda dollars)

	<u>2008</u>	<u>2007</u>
Operating activities:		
Surplus of revenues over expenditures	\$ 76,721	\$ 11,610
Adjustments to convert to a cash basis:		
Receivables	(33,071)	(3,724)
Accounts payable and accrued expenses	<u>(2,297)</u>	<u>(3,401)</u>
Increase in cash	41,353	4,485
Cash, beginning of year	<u>81,739</u>	<u>77,254</u>
Cash, end of year	<u>\$ 123,092</u>	<u>\$ 81,739</u>

See accompanying notes

BERMUDA END-TO-END  
NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2008  
(expressed in Bermuda dollars)

1. Purpose of the Organisation

The Organisation exists to raise funds for registered charities in Bermuda through an annual non-competitive event in which individuals use various methods to travel from one end of the Island of Bermuda to the other. The participants obtain individual and company pledges. The Bermuda End-to-End organisation is a registered charity.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which have general application in Bermuda. The significant accounting policies are as follows:

- (a) Cash  
Cash includes cash on hand and cash in the bank.
- (b) Revenue recognition  
Bermuda End-to-End follows the deferral method of accounting for contributions. Restricted contributions are deferred and then recognised as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognised as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (c) Donated services and materials  
Volunteer efforts and non-cash donations are reflected in the financial statements, when a fair value can be reasonably estimated and when the materials or services would be paid for if not donated.
- (d) Financial instruments  
The Organisation's financial instruments consist of cash, receivables and accounts payable and accrued expenses. Unless otherwise noted, it is management's opinion that the Organisation is not exposed to significant market, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.
- (e) Use of estimates  
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

BERMUDA END-TO-END

NOTES TO THE FINANCIAL STATEMENTS, Cont'd.

JULY 31, 2008  
(expressed in Bermuda dollars)

3. Receivables

Receivables include pledge receivables amounting to \$35,051 (2007 - \$5,261). These receivables were subsequently collected after year end.

4. Restriction on net assets

In 2008, the Board of Trustees internally restricted \$85,000 of unrestricted net assets to be distributed during 2009 fiscal year to a project or charity to be approved by the Board.

In 2007, the Board of Trustees internally restricted \$20,000 of unrestricted net assets for distribution to Greenrock, an environmental charitable organization in Bermuda. During 2008, this restricted asset was released and donated to Greenrock.

This internally restricted amount is not available for other purposes without approval of the Board of Trustees.

5. Donations-in-kind

The Organisation received audit fees amounting to \$10,000 (2007 - \$10,000) as donations in-kind and has recognised the matching expense on the statement of operations and changes in net assets.

BERMUDA END-TO-END  
SCHEDULE TO THE FINANCIAL STATEMENTS

JULY 31, 2008  
(expressed in Bermuda dollars)

	<u>2008</u>		<u>2007</u>
Schedule			
Donations made:			
Adult Education	\$ 50,000	Open Airways	\$ 55,000
Bermuda National Trust	17,000	Raleigh International	27,500
Childwatch	7,000	BDA Autism Support and Education	55,000
Green Rock	45,000	Keep Bermuda Beautiful	27,500
The Duke of Edinburgh	25,000	Meals on Wheels	55,000
The Family Learning Centre	40,000	Rails to Trails	29,566
Windreach	<u>60,000</u>		<u>-</u>
	\$ 244,000		\$ <u>249,566</u>