MARY'S PENCE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

MARY'S PENCE
INDEX TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

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CBW

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119 Guyon Avenue
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The Board of Directors
Mary's Pence

I have audited the accompanying statement of financial position of Mary's Pence (the "Organization") as of June 30, 2010, and the related statement of activities for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mary's Pence as of June 30, 2010, and the results of their activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Cheryl B. Williamson

New York, New York
October 18, 2010

MARY'S PENCE
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2010 AND JUNE 30, 2009

Assets

	June 30, 2010	June 30, 2009
Current Assets		
Cash	$ 72,383	$ 113,327
Investments	132,592	118,165
Prepaid expenses and other receivables	2,435	495
Total current assets	207,410	231,987
Furniture, Fixtures, and Equipment	32,978	32,978
Less accumulated depreciation	32,187	32,187
Net furniture, fixtures, and equipment	791	791
Other Assets		
Security deposits	716	716
Total Assets	**$ 208,917**	**$ 233,494**

Liabilities and Net Assets

	June 30, 2010	June 30, 2009
Current Liabilities		
Accounts payable and accrued expenses	$ 12,005	$ 3,786
Net Assets		
Unrestricted	195,758	227,678
Temporarily restricted	1,154	2,030
Total net assets	196,912	229,708
Total liabilities and net assets	**$ 208,917**	**$ 233,494**

The accompanying notes are an integral part of these financial statements.

MARY'S PENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Donations	$ 252,282	$ -	$ 252,282	$ 288,707
Investment income	7,750	-	7,750	(3,250)
Total support and revenue	260,032	-	260,032	285,457
Expenses				
Program	248,339	876	249,215	207,217
Management and general	15,805	-	15,805	15,249
Fundraising	27,808	-	27,808	23,295
Total expenses	291,952	876	292,828	245,761
Excess (deficiency) of revenue over expenses	(31,920)	(876)	(32,796)	39,696
Net assets, beginning of year	**227,678**	**2,030**	**229,708**	**190,012**
Net assets, end of year	**$ 195,758**	**$ 1,154**	**$ 196,912**	**$ 229,708**

The accompanying notes are an integral part of these financial statements.

MARY'S PENCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	2010				2009
		Supporting Services			
	Program	Management and General	Fundraising	Total	Total
Expenses:					
Advertising	$ 145	$ -	$ 145	$ 290	$ 281
Bank and credit card fees	50	1,429	-	1,479	905
Board expenses	7,057	921	988	8,966	11,415
Depreciation	-	-	-	-	790
Discretionary grants	2,450	-	-	2,450	8,210
Dues and subscriptions	752	37	86	875	1,749
Employee benefits	3,753	152	516	4,421	7,889
Fundraising	4,130	-	1,770	5,900	-
Gifts	-	-	-	-	82
Grants	21,000	-	-	21,000	29,000
Insurance-liability	600	67	83	750	841
Equipment	4,232	330	2,045	6,607	6,847
License and registration fees	200	1,180	560	1,940	2,109
Outreach	20,900	438	3,450	24,788	11,669
Multimedia	6,180	-	250	6,430	-
Meals and entertainment	1,304	94	400	1,798	1,545
Ministry awards	33,900	-	-	33,900	25,000
Miscellaneous	-	-	-	-	41
Network support	4,500	-	-	4,500	1,860
Payroll taxes	6,114	695	849	7,658	7,790
Postage and shipping	5,168	305	1,834	7,307	7,313
Professional development	698	108	10	816	1,388
Professional services	31,349	743	1,493	33,585	17,149
Rent	7,290	430	945	8,665	7,879
Repairs and maintenance	200	306	55	561	-
Restricted grant program	876	-	-	876	-
Retirement plan	1,398	157	192	1,747	2,993
Salaries	71,524	8,047	9,834	89,405	73,360
Supplies	3,461	102	535	4,098	3,505
Telephone	2,600	237	320	3,157	3,455
Travel	5,181	27	1,346	6,554	9,159
Website	2,203	-	102	2,305	1,537
Total expenses	$ 249,215	$ 15,805	$ 27,808	$ 292,828	$ 245,761

The accompanying notes are an integral part of these financial statements.

MARY'S PENCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
Cash flows from operating activities:		
Increase (decrease) in net assets	$ (32,796)	$ 39,696
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:		
Depreciation	-	790
(Increase) decrease in investments	(14,427)	3,617
(Increase) decrease in prepaid expenses and other receivables	(1,940)	2,170
Increase (decrease) in accounts payable and accrued expenses	8,219	(7,761)
Net cash (used in) provided by operating activities	(40,944)	38,512
Cash flows from investing activities		
Purchase of furniture, fixtures, and equipment	-	(106)
Net cash provided by (used in) investing activities	-	(106)
Net increase (decrease) in cash	**(40,944)**	**38,406**
Cash, beginning of year	**113,327**	**74,921**
Cash, end of year	**$ 72,383**	**$ 113,327**

The accompanying notes are an integral part of these financial statements.

Note 1- Nature of organization

Mary's Pence (the "Organization"), was incorporated under the Laws of the State of Illinois in 1987 as a non-profit organization. Mary's Pence promotes Catholic social justice by directing donated resources to small women's projects in the Americas.

Vision
Mary's Pence is a Catholic women's organization serving women in the Americas in order to help them improve their overall health and well-being through increased economic self-sufficiency. The focus is on ministries that directly impact the quality of life. They offer resources and training that increases women's economic power while fostering education and expanding leadership.

Core Values

- The Organization's work is rooted in the Catholic social justice tradition of inclusiveness, mutuality, equality, and the redistribution of resources.
- All people have inherent dignity and worth, and therefore a right to healthy food, clean water, decent housing, health care, education, and meaningful work that provides a sustainable income.
- Improve the lives of women, improve the lives of children, communities and whole societies.
- The Organization believes that change is possible and that small efforts can result in important changes, locally, in the wider community and even globally.
- The Organization believes in autonomy so that those most directly affected by a decision have the right to participate in the making of the decision.
- The Organization values partnership and networking, coordination and synergy.

Note 2- Summary of significant accounting policies

Net assets

The Organization's net assets consist of the following:

Unrestricted

Unrestricted net assets consist of amounts that can be spent at the discretion of the Organization to support operations.

Temporarily restricted

Temporarily restricted net assets include contributions either received with donor stipulations that limit the use of the donated assets for a specific purpose or relate to future periods. When a donor time restriction expires or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The following is a summary of the temporarily restricted net assets for the year ended June 30, 2010:

	Balance at June 30, 2010
Program	
Internet café	$ 1,154

Contributions

The Organization has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence of any donor imposed restrictions. The Organization does not have any permanently restricted net assets as of June 30, 2010.

Donated services

The Organization receives donated services rendered by volunteers who have donated significant amounts of their time to the Organization's activities. No amounts have been reflected in the financial statements for donated services in as much as no objective basis is available to measure the value of such services.

Note 2- Summary of significant accounting policies (continued)

Furniture, fixtures, and equipment

The Organization's furniture, fixtures, and equipment are being depreciated on the straight-line basis over the estimated useful lives of the assets, which range from three to seven years.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Concentration of credit risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and investments. The Organization places its cash with what it believes to be quality financial institutions. The Organization invests in mutual funds, U.S. Government Obligations and equities. Investments are exposed to various risks such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of June 30, 2010. The Organization routinely assesses the financial strength of its cash and investment portfolio. Therefore, the Organization believes no significant concentration of credit risk exists with respect to its cash and investments.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2009.

Note 3- Investments

The Organization reports investments at fair market value. The market value of the investments is based on publicly quoted prices. The cost of investments sold is determined on the average cost basis. Realized and unrealized gains (losses) on investments are recorded in the statement of activities.

The following is a summary of the investments as of June 30, 2010 and 2009:

	2010		2009	
	Cost	Market	Cost	Market
Cash	$ 25,763	$ 25,763	$ 20,117	$ 20,117
Mutual funds	5,600	5,566	6,618	4,961
Bonds	68,177	72,920	70,599	75,517
Equities	51,109	28,343	33,570	17,570
	$ 150,649	$ 132,592	$ 130,904	$ 118,165

Note 4- Commitments

During the 2008 fiscal year, the Organization entered into an agreement to rent office space for $716 per month commencing September 1, 2007 and expiring June 30, 2009. In connection therewith, the Organization has deposits totaling $716 with the landlord, which is recorded in the statement of financial position.

The Organization is obligated under operating leases for office equipment that will be expired by September, 2014.

Future minimum rental payments required on an operating lease of a copier (expiring October 2012) and postage machine (expiring in September, 2014) are as follows:

Fiscal year		Amount
2011		6,080
2012		3,131
2013		1,656
2014		1,242
	Total	$ 12,109

Note 5- Loans payable

Subsequent to June 30, 2008, the Organization received a $20,000 promissory note (the "Note"). The Organization intends to use the funds for the purpose of the empowerment of women and community building, especially but not exclusively in developing countries. The Note is non-interest bearing and is due on September 1, 2011. The Note may be extended beyond the due date and may be prepaid by the Organization in whole or in part, without premium or penalty.

Note 6- Interest in Unitrust

The Organization is named as a charitable beneficiary on the Hendricks/Rauch Charitable Remainder Unitrust dated December 22, 1989 (the "Trust"). The Organization, as named beneficiary, will receive any undistributed principal and income upon the termination of the Trust. The donors and the survivors of the donors have the ability to appoint and remove beneficiaries. The amount, if any, which will ultimately be distributed to any charitable organizations, is not determinable at this time. Accordingly, these financial statements do not include any assets, liabilities, income or expense from this Trust.

Note 7- Retirement Plan

The Organization maintains a Simple IRA retirement plan, which is available to all eligible employees. Participants may contribute a certain percentage of their compensation, not to exceed the limitations established by the Internal Revenue Code. The Organization makes matching contributions equal to 100% of the employee's contributions, not to exceed 3% of the employee's compensation. During the year ended June 30, 2010, the Organization's contributions to the plan amounted to $1,748.

Note 8- Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Organization is a Section 509(a)(1) organization as defined in the Code, and is, therefore, not a private foundation and qualifies for the maximum charitable contribution deduction for donors.