

MARY'S PENCE
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

**MARY'S PENCE
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FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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Cheryl B. Williamson, CPA, MBA

Independent Auditor's Report

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, 2011, 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, 2011, and the results of their activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'Cheryl B. Williamson'.

New York, New York
November 23, 2011

MARY'S PENCE
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2011 AND JUNE 30, 2010

Assets

	<u>2011</u>	<u>2010</u>
Current Assets		
Cash	\$ 21,403	\$ 72,383
Investments	156,126	132,592
Prepaid expenses and other receivables	<u>67</u>	<u>2,435</u>
Total current assets	<u>177,596</u>	<u>207,410</u>
Furniture, Fixtures, and Equipment	32,978	32,978
Less accumulated depreciation	<u>32,187</u>	<u>32,187</u>
Net furniture, fixtures, and equipment	<u>791</u>	<u>791</u>
Other Assets		
Security deposits	<u>716</u>	<u>716</u>
Total Assets	<u><u>\$ 179,103</u></u>	<u><u>\$ 208,917</u></u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 6,973</u>	<u>\$ 12,005</u>
Net Assets		
Unrestricted	170,976	195,758
Temporarily restricted	<u>1,154</u>	<u>1,154</u>
Total net assets	<u>172,130</u>	<u>196,912</u>
Total liabilities and net assets	<u><u>\$ 179,103</u></u>	<u><u>\$ 208,917</u></u>

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

**MARY'S PENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Donations	\$ 261,874	\$ 7,600	\$ 269,474	\$ 252,282
Investment income	10,303	-	10,303	7,750
Total support and revenue	272,177	7,600	279,777	260,032
Expenses				
Program	258,242	7,600	265,842	249,215
Management and general	11,212	-	11,212	15,805
Fundraising	27,505	-	27,505	27,808
Total expenses	296,959	7,600	304,559	292,828
Excess (deficiency) of revenue over expenses	(24,782)	-	(24,782)	(32,796)
Net assets, beginning of year	195,758	1,154	196,912	229,708
Net assets, end of year	\$ 170,976	\$ 1,154	\$ 172,130	\$ 196,912

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

MARY'S PENCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011

	2011				2010
	Supporting Services				
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Expenses:					
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 290
Bank and credit card fees	229	710	28	967	1,479
Board expenses	6,833	398	823	8,054	8,966
Discretionary grants	2,500	-	-	2,500	2,450
Dues and subscriptions	1,873	-	80	1,953	875
Employee benefits	5,917	348	696	6,961	4,421
Fundraising	-	-	-	-	5,900
Grants	22,500	-	-	22,500	21,000
Insurance-liability	638	38	75	751	750
Equipment	9,992	376	5,825	16,193	6,607
License and registration fees	-	-	1,812	1,812	1,940
Outreach	13,469	248	2,367	16,084	24,788
Multimedia	2,263	6	120	2,389	6,430
Meals and entertainment	501	15	34	550	1,798
Ministry awards	38,950	-	-	38,950	33,900
Moving	2,234	131	263	2,628	-
Network support	5,589	-	-	5,589	4,500
Payroll taxes	7,173	535	842	8,550	7,658
Postage and shipping	6,259	358	731	7,348	7,307
Professional development	2,075	17	112	2,204	816
Professional services	27,565	2,012	572	30,149	33,585
Rent	7,306	430	860	8,596	8,665
Repairs and maintenance	54	459	27	540	561
Restricted grant program	-	-	-	-	876
Retirement plan	1,415	83	166	1,664	1,747
Salaries	79,112	4,654	9,307	93,073	89,405
Supplies	6,247	185	914	7,346	4,098
Telephone	3,144	153	335	3,632	3,157
Travel	8,984	56	1,357	10,397	6,554
Website	3,020	-	159	3,179	2,305
Total expenses	\$ 265,842	\$ 11,212	\$ 27,505	\$ 304,559	\$ 292,828

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

MARY'S PENCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (24,782)	\$ (32,796)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:		
Depreciation	-	-
(Increase) decrease in investments	(23,534)	(14,427)
(Increase) decrease in prepaid expenses and other receivables	2,368	(1,940)
Increase (decrease) in accounts payable and accrued expenses	(5,032)	8,219
Net cash (used in) provided by operating activities	<u>(50,980)</u>	<u>(40,944)</u>
Cash flows from investing activities		
Purchase of furniture, fixtures, and equipment	<u>-</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(50,980)	(40,944)
Cash, beginning of year	<u>72,383</u>	<u>113,327</u>
Cash, end of year	<u>\$ 21,403</u>	<u>\$ 72,383</u>

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

MARY'S PENCE

Notes to Financial Statements June 30, 2011

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.

MARY'S PENCE
Notes to Financial Statements (continued)
June 30, 2011

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, 2011:

Program

Internet café	\$ 1,154
Total	<u>\$ 1,154</u>

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, 2011.

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.

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Notes to Financial Statements (continued) June 30, 2011

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, 2011. 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.

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Notes to Financial Statements (continued) June 30, 2011

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, 2010.

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, 2011 and 2010:

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash	\$ 66,705	\$ 66,705	\$ 25,763	\$ 25,763
Mutual funds	7,411	7,255	5,600	5,566
Bonds	30,648	33,717	68,177	72,920
Equities	<u>61,381</u>	<u>48,449</u>	<u>51,109</u>	<u>28,343</u>
	\$ <u>166,145</u>	\$ <u>156,126</u>	\$ <u>130,904</u>	\$ <u>132,592</u>

MARY'S PENCE

Notes to Financial Statements (continued)
June 30, 2011

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.

Future minimum rental payments required on an operating lease of a copier (5 years) and the lease for office space is as follows:

<u>Fiscal year</u>	<u>Amount</u>
2012	11,960
2013	4,760
2014	4,760
2015	4,760
2016	<u>4,760</u>
Total	<u>\$ 31,000</u>

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.

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Notes to Financial Statements (continued)
June 30, 2011

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, 2011, the Organization's contributions to the plan amounted to \$1,664.

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.