

WON COMMUNITY SERVICE CENTER

REPORT ON REVIEW
OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

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February 23, 2011

Won Community Service Center
Glenside, Pennsylvania

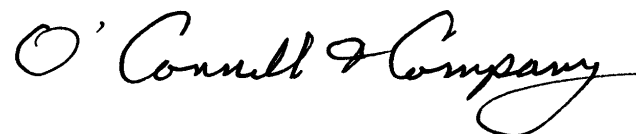
We have reviewed the accompanying statements of assets, liabilities and net assets - modified cash basis of Won Community Service Center (a non-profit organization) (the Center) as of December 31, 2010 and 2009 and the related statements of support, revenues and expenses - modified cash basis and cash flows - modified cash basis for the years then ended.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Center's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with with the modified cash basis of accounting, as described in Note 1.



Certified Public Accountants

WON COMMUNITY SERVICE CENTER

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 7,206	\$ 5,439
Investments	<u>14,602</u>	<u>13,821</u>
 TOTAL ASSETS	 <u>\$ 21,808</u>	 <u>\$ 19,260</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES	\$ -	\$ -
 NET ASSETS		
Unrestricted	<u>21,808</u>	<u>19,260</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 21,808</u>	 <u>\$ 19,260</u>

See accompanying notes and independent accountant's review report.

WON COMMUNITY SERVICE CENTER

STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS

YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
SUPPORT AND REVENUE		
Government grants	\$ 38,821	\$ 29,825
Grants and donations	30,195	29,912
Contributed services	111,084	99,662
Investment income	994	2,732
Other income	245	2,308
Loan proceeds	<u>6,000</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>187,339</u>	<u>164,439</u>
EXPENSES		
Advertising	1,114	1,312
Communication	4,738	3,952
Contributions	725	400
Insurance	3,381	3,216
Scholarship grant	1,000	1,000
Staff development	-	4,697
Personnel costs	120,608	106,162
Professional fees	27,200	27,507
Supplies	12,004	15,937
Car	5,103	5,090
Textbooks	3,304	1,089
Travel	1,558	1,834
Utilities	<u>4,056</u>	<u>7,390</u>
TOTAL EXPENSES	<u>184,791</u>	<u>179,586</u>
CHANGE IN NET ASSETS	2,548	(15,147)
NET ASSETS - Beginning of Year	<u>19,260</u>	<u>34,407</u>
NET ASSETS - End of Year	<u>\$ 21,808</u>	<u>\$ 19,260</u>

See accompanying notes and independent accountant's review report.

WON COMMUNITY SERVICE CENTER

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,548	\$ (15,147)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Loan proceeds	\$ (6,000)	
Gain on investments	<u>(895)</u>	<u>(2,649)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(4,347)</u>	<u>(17,796)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	<u>114</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>114</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan proceeds	<u>6,000</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>6,000</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,767	(17,796)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,439</u>	<u>23,235</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 7,206</u></u>	<u><u>\$ 5,439</u></u>

The accompanying notes and independent accountant's review report.

WON COMMUNITY SERVICE CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

The Won Community Service Center is a Pennsylvania not-for-profit organization located in Abington, Pennsylvania, providing social services, educational activities, adult English language instruction for low income minority immigrants and English language instruction for children of low income minority immigrants. Won Community Service Center qualifies as a tax-exempt organization under Section 501(c)3 of the Internal Revenue Code; accordingly, there is no income tax applicable to its activities.

1 Summary of Significant Accounting Policies

The significant accounting policies followed by the Center are described below to enhance the usefulness of the financial statements to the reader.

Modified Cash Basis - The accompanying financial statements have been prepared on the cash basis, modified to report investments at market value and contributed services. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. The modified cash basis differs from generally accepted accounting principles primarily because the effects of outstanding pledges receivable and obligations for unpaid invoices at the date of the financial statements are not included in the financial statements.

Cash and Cash Equivalents - For the statement of cash flows, the Center includes cash on deposit, cash on hand, and money market funds to be cash.

Investments - Investments are reported in the financial statements at fair value.

Contributions - The Center records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either permanently restricted, temporarily restricted or unrestricted, depending on whether the donor has imposed a restriction on the use of such assets. However, support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received.

Use of Estimates - 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 reporting period. Actual results could differ from those estimates.

Compensated Absences - Employees of the Center are entitled to paid vacations, sick days and other time off depending on length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Center's policy is to recognize the costs of compensated absences when paid to employees.

WON COMMUNITY SERVICE CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Continued)

1 Summary of Significant Accounting Policies (continued)

Fair Value Measurements --Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy in accordance with generally accepted accounting principles are described as follows:

The three levels of the fair value hierarchy in accordance with generally accepted accounting principles are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlations or other means.

If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair values of investments in marketable securities, including equity and debt securities, mutual funds and exchange traded funds, are based on quoted market prices for those investments on the last day of the fiscal year. The fair value of the Center's investment in alternative investment funds, which are not traded on an exchange, is based upon the Center's share of the reported net asset values of these funds. The investments held by these alternative investment funds that are not based on quoted market prices are valued by a third-party. The Center's investment in alternative investment funds involves a significant degree of risk and there are substantial restrictions on the transferability of these shares.

WON COMMUNITY SERVICE CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Continued)

1 Summary of Significant Accounting Policies (continued)

Fair Value Measurements (Continued)

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Income Taxes - Accounting standards require the tax effects of certain tax positions to be recognized. These tax positions must meet a "more likely than not" standard that based on their technical merit have more than 50% likelihood of being sustained upon IRS examination. Management estimates that there are no uncertain tax positions as of December 31, 2010.

2 Concentration of Risk

The Center maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts. Management believes the Center is not exposed to any significant credit risk related to cash and cash equivalents.

3 Contributed Services

The Center received contributed services as described below. These items have been recorded at their estimated fair market value. The donated values are summarized as follows:

	<u>2010</u>	<u>2009</u>
Personnel costs	\$ 84,384	\$ 72,662
Professional fees	<u>26,700</u>	<u>27,000</u>
	<u>\$ 111,084</u>	<u>\$ 99,662</u>

4 Investments

Investments consist of the following:

	<u>2010</u>	<u>2009</u>
Mutual Funds	<u>\$ 14,602</u>	<u>\$ 13,821</u>

WON COMMUNITY SERVICE CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Continued)

4 Investments (Continued)

Investment income consists of the following:

	<u>2010</u>	<u>2009</u>
Interest	\$ 99	\$ 83
Gain on investments	<u>895</u>	<u>2,649</u>
	<u>\$ 994</u>	<u>\$ 2,732</u>

5 Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Center's assets at fair value as of December 31, 2010 and 2009:

	<u>Assets at Fair Values as of December 31, 2010</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,602</u>	<u>\$ 14,602</u>
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,602</u>	<u>\$ 14,602</u>

	<u>Assets at Fair Values as of December 31, 2009</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,821</u>	<u>\$ 13,821</u>
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,821</u>	<u>\$ 13,821</u>

Level 3 securities activity is summarized below:

	<u>2010</u>	<u>2009</u>
Balance January 1	\$ 13,821	\$ 11,172
Gain on investments	895	2,649
Withdrawal from investments	<u>(114)</u>	<u>-</u>
Balance December 31	<u>\$ 14,602</u>	<u>\$ 13,821</u>

WON COMMUNITY SERVICE CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Continued)

6 Functional Expenses

The costs of providing program services and supporting services of the Center have been summarized on a functional basis in the following schedule. Costs for employee benefits have been allocated among the functional categories benefits.

	<u>2010</u>	<u>2009</u>
Program	\$ 167,188	\$ 157,999
Administration	<u>17,603</u>	<u>21,587</u>
	<u>\$ 184,791</u>	<u>\$ 179,586</u>

7 Subsequent Event

The Center has evaluated all subsequent events through February 23, 2011, the date the financial statements were available to be issued.