

WON COMMUNITY SERVICE CENTER

REPORT ON REVIEW
OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

June 2, 2017

Won Community Service Center
Glenside, Pennsylvania

We have reviewed the accompanying financial statements of Won Community Service Center (the Center) (a not-for-profit organization), which comprise the statements of assets, liabilities and net assets - cash basis as of December 31, 2016 and 2015, and the related statements of revenues and expenses - cash basis for the years then ended, and the related notes to the financial statements. 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



WON COMMUNITY SERVICE CENTER

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS

DECEMBER 31, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|----------------------------------|-----------------|-----------------|
| ASSETS | | |
| Cash and cash equivalents | <u>\$ 8,476</u> | <u>\$ 2,560</u> |
| | | |
| TOTAL ASSETS | <u>\$ 8,476</u> | <u>\$ 2,560</u> |
| | | |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | \$ - | \$ - |
| | | |
| Net Assets | | |
| Unrestricted | <u>8,476</u> | <u>2,560</u> |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 8,476</u> | <u>\$ 2,560</u> |

See accompanying notes and independent accountant's review report.

WON COMMUNITY SERVICE CENTER

STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES - CASH BASIS

YEARS ENDED DECEMBER 31, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|-----------------|-----------------|
| SUPPORT AND REVENUE | | |
| Government grants | \$ 20,099 | \$ 5,614 |
| Grants and donations | 27,414 | 26,126 |
| Contributed services | 93,464 | 103,229 |
| Interest income | 7 | 22 |
| Insurance proceeds | <u>6,000</u> | <u>-</u> |
| TOTAL SUPPORT AND REVENUE | <u>146,984</u> | <u>134,991</u> |
| | | |
| EXPENSES | | |
| Personnel costs | 98,842 | 100,432 |
| Professional fees | 19,312 | 26,538 |
| Supplies | 8,235 | 7,666 |
| Utilities | 4,941 | 6,274 |
| Communication | 3,507 | 3,542 |
| Insurance | 1,899 | 3,305 |
| Awards | 3,212 | 1,450 |
| Scholarship grant | 100 | 1,000 |
| Travel | 460 | 514 |
| Advertising | <u>560</u> | <u>150</u> |
| TOTAL EXPENSES | <u>141,068</u> | <u>150,871</u> |
| | | |
| INCREASE (DECREASE) IN NET ASSETS | 5,916 | (15,880) |
| | | |
| NET ASSETS - Beginning of Year | <u>2,560</u> | <u>18,440</u> |
| | | |
| NET ASSETS - End of Year | <u>\$ 8,476</u> | <u>\$ 2,560</u> |

See accompanying notes and independent accountant's review report.

WON COMMUNITY SERVICE CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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.

Cash Basis - The accompanying financial statements have been prepared on the cash basis of accounting. Under that basis, the only assets recognized are cash, and no liabilities are recognized. The 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 - Cash and cash equivalents includes cash on deposit, cash on hand, and money market funds to be cash.

Contributions - The Center records contributions of cash and other assets when 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. The Center reports restricted contributions as unrestricted support if the restrictions are satisfied in the same reporting period in which the contributions are 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, 2016 AND 2015

1 Summary of Significant Accounting Policies (continued)

Advertising -- The Center follows the policy of charging the costs of advertising to expense as incurred.

Income Taxes - The Center adopted the accounting standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for the Center. The Center is no longer subject to federal and state tax examinations for the years prior to 2013.

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>2016</u> | <u>2015</u> |
|-------------------|------------------|-------------------|
| Personnel costs | \$ 75,214 | \$ 77,729 |
| Professional fees | <u>18,250</u> | <u>25,500</u> |
| | <u>\$ 93,464</u> | <u>\$ 103,229</u> |

4 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>2016</u> | <u>2015</u> |
|----------------|-------------------|-------------------|
| Program | \$ 100,065 | \$ 108,548 |
| Administration | <u>41,003</u> | <u>42,323</u> |
| | <u>\$ 141,068</u> | <u>\$ 150,871</u> |

WON COMMUNITY SERVICE CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

5 Subsequent Event

The Center has evaluated all subsequent events through June 2, 2017, the date the financial statements were available to be issued.