

**KAN-WIN**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
(With summarized comparative information for the fiscal year ended June 30, 2021)



**CERTIFIED PUBLIC ACCOUNTANTS**

1250 E Diehl Road, Suite 406  
Naperville, IL 60563



**KAN-WIN FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
 (With summarized comparative information for the fiscal year ended June 30, 2021)

TABLE OF CONTENTS

	<u>Page No(s).</u>
<u>Independent Auditor's Report</u>	
 <u>Financial Statements:</u>	
Statement of Financial Position .....	1
Statement of Activities .....	2
Statement of Functional Expenses .....	3
Statement of Cash Flows . . . . .	4
Notes to the Financial Statements .....	5 - 9
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards . . . . .	10
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	11-12
Schedule of Findings and Questioned Costs . . . . .	13
Schedule of Expenditures of Federal Awards . . . . .	14



The Board of Directors  
KAN-WIN

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of KAN-WIN, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of KAN-WIN as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KAN-WIN and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about KAN-WIN's ability to continue as a going concern for one year after the date that the financial statements are issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KAN-WIN's internal control. Accordingly, no such opinion is expressed. In circumstances in which the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, omit the following: "but not for the purpose of expressing an opinion on the effectiveness of KAN-WIN's internal control. Accordingly, no such opinion is expressed."
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about KAN-WIN's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information such as the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 3, 2023, on our consideration of KAN-WIN's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KAN-WIN's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering KAN-WIN's internal control over financial reporting and compliance.

*BG Advisors CPA, Ltd*

BG Advisors CPA, Ltd  
1250 E Diehl Rd, Suite 406  
Naperville, IL 60563  
January 3, 2023

KAN WIN  
STATEMENT OF FINANCIAL POSITION AS  
OF JUNE 30, 2022  
(With summarized comparative totals as of June 30, 2021)

	<u>June 30, 2022</u>			<u>Summarized Comparative Totals as of June 30, 2021</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash (Note 5)	\$ 511,723	\$ 159,673	\$ 671,396	\$ 696,145
Certificate of deposit, original date to maturity one year or less (Note 5)	842,099	-	842,099	251,620
Contract fees receivable	286,212	97,500	383,712	257,532
Grants receivable within one year	3,750	-	3,750	85,000
Prepaid expenses	-	-	-	7,127
<b>TOTAL CURRENT ASSETS</b>	<b><u>1,643,784</u></b>	<b><u>257,173</u></b>	<b><u>1,900,957</u></b>	<b><u>1,297,424</u></b>
<b>Office Equipment, Furniture &amp; Fixtures</b> net of accumulated depreciation (Note 6)	<u>11,899</u>	<u>-</u>	<u>11,899</u>	<u>16,318</u>
<b>OTHER ASSETS</b>				
Certificate of deposit, original date to maturity greater than one year (Note 5)	-	-	-	251,075
Grants receivable, more than one year and less than three years	-	-	-	50,000
Office lease security deposits	<u>10,647</u>	<u>-</u>	<u>10,647</u>	<u>18,294</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b><u>22,546</u></b>	<b><u>-</u></b>	<b><u>22,546</u></b>	<b><u>319,369</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,666,330</u></b>	<b><u>\$ 257,173</u></b>	<b><u>\$ 1,923,503</u></b>	<b><u>\$ 1,633,111</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 13,482	-	\$ 13,482	7,373
Accrued payroll and payroll liabilities	<u>80,989</u>	<u>-</u>	<u>80,989</u>	<u>93,693</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>94,471</u></b>	<b><u>-</u></b>	<b><u>94,471</u></b>	<b><u>101,066</u></b>
<b>NONCURRENT LIABILITIES</b>				
U.S. Small Business Administration Payroll Protection Program loan (Note 7)	-	-	-	80,120
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,120</u>
<b>TOTAL LIABILITIES</b>	<b><u>94,471</u></b>	<b><u>-</u></b>	<b><u>94,471</u></b>	<b><u>181,186</u></b>
<b>NET ASSETS (Note 4)</b>	<u>1,571,859</u>	<u>257,173</u>	<u>1,829,032</u>	<u>1,451,925</u>
<b>TOTAL LIABILITIES NET ASSETS</b>	<b><u>\$ 1,666,330</u></b>	<b><u>\$ 257,173</u></b>	<b><u>\$ 1,923,503</u></b>	<b><u>\$ 1,633,111</u></b>

The accompanying notes are an integral part of these financial statements

KAN WIN  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(With summarized comparative totals for the fiscal year ended June 30, 2021)

	Fiscal Year Ended June 30, 2022			Summarized Comparative Totals, Fiscal Year Ended June 30, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public support:				
Grants and Contributions (Note 8)	\$ 201,863	\$ 150,000	\$ 351,863	\$ 426,774
Special events, net of direct expenses (Note 9)	93,672	-	93,672	57,983
<b>Total public support</b>	<u>295,535</u>	<u>150,000</u>	<u>445,535</u>	<u>484,757</u>
Net assets released from restrictions upon satisfaction of program requirements	<u>108,452</u>	<u>(108,452)</u>	<u>-</u>	<u>-</u>
Revenue				
Contracts fees and awards (Note 10)	1,136,271	-	1,136,271	952,097
Interest Income	6,891	-	6,891	4,651
Other	-	-	-	139
Total revenues	<u>1,143,162</u>	<u>-</u>	<u>1,143,162</u>	<u>956,887</u>
SBA PPP Loan forgiveness	<u>80,120</u>	<u>-</u>	<u>80,120</u>	<u>-</u>
<b>Total public support and revenues</b>	<u><b>1,627,269</b></u>	<u><b>41,548</b></u>	<u><b>1,668,817</b></u>	<u><b>1,441,644</b></u>
<b>Expenses</b>				
Program services	<u>1,116,327</u>	<u>-</u>	<u>1,116,327</u>	<u>973,100</u>
Supporting services:				
Management and general	125,847	-	125,847	107,940
Resource development	49,538	-	49,538	41,489
Total supporting services expenses	<u>175,384</u>	<u>-</u>	<u>175,384</u>	<u>149,429</u>
Total expenses	<u>1,291,711</u>	<u>-</u>	<u>1,291,711</u>	<u>1,122,529</u>
<b>Net increase in net assets</b>	<b>335,558</b>	<b>41,548</b>	<b>377,106</b>	<b>319,115</b>
<b>Net assets:</b>				
<b>NET ASSETS, beginning of year</b>	<u><b>1,236,301</b></u>	<u><b>215,625</b></u>	<u><b>1,451,926</b></u>	<u><b>1,132,811</b></u>
<b>NET ASSETS, end of year</b>	<u><b>\$ 1,571,859</b></u>	<u><b>\$ 257,173</b></u>	<u><b>\$ 1,829,032</b></u>	<u><b>\$ 1,451,926</b></u>

The accompanying notes are an integral part of these financial statements

KAN WIN  
STATEMENT OF FUNCTIONAL EXPENSES FOR THE FISCAL YEAR  
ENDED JUNE 30, 2022

(With summarized comparative totals for the fiscal year ended June 30, 2021)

	<u>Supporting Services</u>				<u>Grand Totals</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Resource Development</u>	<u>Total</u>	<u>2022</u>	<u>2021</u>
Staff salaries and wages	\$ 542,334	\$ 94,908	\$ 40,676	\$ 135,583	\$ 677,917	\$ 563,760
Employer retirement plan contributions (Note 13)	8,122	1,664	-	1,664	9,786	5,380
Staff benefits	55,436	9,581	3,422	13,003	68,439	38,974
Employer payroll taxes	41,946	7,960	3,157	11,117	53,063	46,138
Professional and contract services	28,032	5,824	793	6,616	34,648	54,737
Client services	245,870	-	-	-	245,870	202,974
Community education	24,178	-	-	-	24,178	30,907
Office occupancy (Note 12)	90,480	-	-	-	90,480	95,233
Office supplies and expenses	1,937	409	42	451	2,388	3,438
Insurance	21,815	4,254	-	4,254	26,069	30,637
Printing and photocopying	2,771	-	247	247	3,018	1,929
Telecommunications	21,177	-	-	-	21,177	15,492
Postage and courier	689	19	371	389	1,078	2,616
Training and development	14,051	1,228	830	2,058	16,109	11,645
Dues and subscriptions	12,423	-	-	-	12,423	12,517
Refund of contract revenue	-	-	-	-	-	148
Depreciation	4,420	-	-	-	4,420	4,420
Other	648	-	-	-	648	1,585
	<b>\$ 1,116,327</b>	<b>\$ 125,847</b>	<b>\$ 49,538</b>	<b>\$ 175,384</b>	<b>\$ 1,291,711</b>	<b>\$ 1,122,530</b>

The accompanying notes are an integral part of these financial statements



KAN WIN  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 377,106	\$ 319,115
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation expense	4,420	4,420
SBA loan forgiveness	(80,120)	-
 (Increase) decrease in assets:		
Contract fees receivable	(126,180)	(40,490)
Grants receivable within one year	81,250	(70,000)
Grants receivable, more than one year and less than three years	50,000	(50,000)
Prepaid expense	7,127	(296)
Security deposit	7,647	-
Increase (decrease) in:		
Accounts payable	6,109	37
Accrued payroll and payroll liabilities	(12,704)	47,007
 <b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>314,655</b>	<b>209,793</b>
 <b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Certificates of deposits redeemed	502,695	123,745
Certificates of deposits purchases, interest reinvested	(842,099)	(502,773)
 <b>CASH USED FOR INVESTING ACTIVITIES</b>	<b>(339,404)</b>	<b>(379,028)</b>
 <b>NET INCREASE (DECREASE) IN CASH</b>	(24,749)	(169,235)
 <b>CASH AT BEGINNING OF YEAR</b>	696,145	865,379
 <b>CASH AT END OF YEAR</b>	<b>\$ 671,396</b>	<b>\$ 696,144</b>

The accompanying notes are an integral part of these financial statements

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 1 - HISTORY AND NATURE OF THE ORGANIZATION**

KAN-WIN is an Illinois not-for-profit organization that was officially founded on August 15, 1990.

KAN-WIN's mission is to eradicate gender-based violence, including domestic violence and sexual assault, especially for women and children across Asian American communities and beyond through culturally competent services, community engagement, and advocacy.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

Basis of presentation

Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) No. 958-605 and No. 958-205.

Under FASB ASC No. 958-605 contributions are recognized in the period received, or in the period in which an unconditional promise to give is made.

Under FASB ASC 958-205, KAN-WIN is required to report information regarding its financial position according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. The classification of net assets is based on the absence or existence of donor-imposed restrictions.

Donor-imposed restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor-restricted support, which increases that net asset class. However, donor-restricted support that is received and fulfilled within the same fiscal year is reported as support without donor restrictions.

Income taxes

KAN-WIN is exempt from federal taxes under Section 501(c)3 of the Internal Revenue Code. It qualifies for charitable contributions under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). KAN-WIN's management has determined that FASB ASC 740-10, which addresses accounting for uncertainty in income taxes, has no effect on its financial statements due to KAN-WIN's tax-exempt status.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures. Actual results could differ from those estimates.

Expense allocation

The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Expenses specifically identifiable as program, general management & administrative, or resource development are fully allocated to those respective categories. Staff salaries, payroll taxes, and benefits are allocated on the basis of estimated time and effort. General overhead expenses such as office rent and other such expenses are allocated on the same basis as staff salaries.

Subsequent Events

KAN-WIN has evaluated subsequent events through January 3, 2023, the date financial statements were available to be issued.

(Continued on the following page)

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Donated Services

During the fiscal year ended June 30, 2022, KAN-WIN benefited from many hours of donated services from several individuals that helped KAN-WIN meet program objectives. These donated services are not reported as contributions in the financial statements because they do not meet the criteria of skilled services required to be reported under FASB ASC 958-605-25-16.

**NOTE 3 - PRIOR YEAR SUMMARIZED INFORMATION**

The financial statements include certain prior year summarized information presented for comparative purposes. Such comparative information is in total but not by net asset class, and therefore, does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles.

Accordingly, such information should be read in conjunction with KAN-WIN's financial statements for the fiscal year ended June 30, 2021, from which the summarized information was derived.

**NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with temporary donor restrictions as of June 30, 2022 will be available for the following program services:

General operations and program support, time-restricted . . . . . \$257,173

**NOTE 5 - CASH AND CERTIFICATES OF DEPOSIT**

Cash consists of demand deposits in financial institutions.

Certificate of deposits with an original term to maturity greater than 30 days are classified on the statement of financial position separately from cash.

As of June 30, 2022 the amount of KAN-WIN's demand deposits in financial institutions and certificates of deposit exceeded the FDIC insured limit by \$34,194. KAN-WIN has not experienced a loss, and believes it is not exposed to any significant risk of loss, on such bank balances.

**NOTE 6 - OFFICE FURNITURE, FIXTURES, AND EQUIPMENT, at cost net of accumulated depreciation**

Purchased office furniture, furniture, and equipment is recorded at cost. Donated office furniture and equipment is recorded at the estimated fair market value on the date of receipt. Depreciation is provided on a straight-line basis over an estimated useful life of five or seven years.

KAN-WIN's capitalization policy requires a per-item minimum value of 1,000.

**NOTE 7 - U.S. SMALL BUSINESS ADMINISTRATION PAYROLL PROTECTION PROGRAM LOAN**

In May 2020 KAN-WIN obtained an \$80,120 loan from the U.S. Small Business Administration under the Payroll Protection Program. The loan is unsecured, has a two-year term beginning on the date of disbursement, and bears a fixed interest rate of 1.00 percent. No payments of principal or interest are due during the six-month deferral period following the date of disbursement. Commencing one month after the expiration of the deferral period KAN-WIN is required to make equal monthly payments of \$4,509 (principal and interest) to fully amortize the principal amount by the loan maturity date.

This loan may be forgiven in full or in part if the lender determines that KAN-WIN used the loan proceeds in compliance with the Paycheck Protection Program, including provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Securities Act. KAN-WIN's application for the full forgiveness of this loan was approved by the lender in July 2021. KAN-WIN recognized the forgiveness of this loan on the date of the lender's approval by the Debt Method under FASB ASC 470.

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 8 - GRANTS AND CONTRIBUTIONS**

KAN-WIN recognized grants and contributions from the following grantors and donors for the fiscal years ended June 30, 2022 and June 30, 2021:

<b>Grants and contributions:</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Asian American Advancing Justice	\$ 40,000	\$ -
Arie & Ida Crown Memorial	-	150,000
Blowitz-Ridgeway Foundation	20,000	-
Chicago Community Foundation	16,340	6,750
Chicago Foundation for Women	25,000	25,000
Circle of Service Foundation	35,000	15,000
City of Des Plaines, Health & Human Services Division	-	8,111
Cook County Illinois Community Development Block Grant	-	16,725
Illinois Attorney General	24,500	24,500
John D. & Catherine T. MacArthur Foundation	-	6,350
National Asian Pacific American Women's Forum	20,000	-
Northfield township human services	25,000	-
Polk Brothers. Foundation	-	70,000
Philanthropic Ventures Foundation	15,000	-
Panda Community Fund	20,000	-
Swedish Covenant Hospital	-	5,000
Township of Northfield	-	12,500
Individuals, each \$5,000 or more	-	5,335
Others, under \$5,000 each	111,023	81,503
<b>Total grants and contributions</b>	<b>\$ 351,863</b>	<b>\$ 426,774</b>

**NOTE 9 - SPECIAL EVENTS, net of direct expenses**

Gross proceeds from special events held during the fiscal year ended June 30, 2022 were \$97,700, related direct expenses were \$4,028 gross proceeds net of related direct expenses were \$93,672.

Gross proceeds from special events held during the fiscal year ended June 30, 2021 were \$68,048, related direct expenses were 10,065, gross proceeds net of related direct expenses were \$57,983.

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 10 - CONTRACT FEES AND AWARDS**

KAN-WIN recognized contract fees and awards from the following contractors for the fiscal years ended June 30, 2022 and June 30, 2021:

<b>Contracts and awards:</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
City of Chicago, Dept. of Family and Support Services	\$ 22,572	\$ 58,808
Illinois Criminal Justice Information Authority	318,492	262,826
Illinois Coalition Against Domestic Violence	200,225	199,975
Illinois Department of Human Services	163,491	146,311
Life Span	4,000	16,600
National Asian Pacific American Women Foundation	5,000	5,000
U.S. Department of Justice, Office on Violence Against V	352,816	241,236
United Way	60,000	-
University of Georgia Research Foundation, Inc.	-	19,343
Others, less than \$5,000 each (both years)	9,675	1,998
<b>Total contracts and awards</b>	<b>\$ 1,136,271</b>	<b>\$ 952,097</b>

**NOTE 11 - LEASE COMMITMENTS**

KAN-WIN leases office space located in Park Ridge, IL from October 1, 2018, and renewed the lease on March 1, 2022. The renewal term will be expired on February 28, 2027. Initial monthly base rent under this lease was \$4,654 and is scheduled to increase by 3.42% on each anniversary date of the agreement. In addition to base rent, the agreement requires KAN-WIN to pay for its pro rata share of common area maintenance and real estate taxes. Office rent expense under this lease, including KAN-WIN's pro rata share of common area maintenance and real estate taxes, for the fiscal years ended June 30, 2022 and June 30, 2021 was \$86,442 and \$92,064, respectively.

KAN-WIN also leases office space, located in Chicago, IL, under an agreement that began on January 1, 2019, and continues through December 31, 2022. Initial monthly rent under this lease was \$1,500 and has scheduled annual increases of 3% on each anniversary date of the lease. Office rent expense under this lease for the fiscal years ended June 30, 2022, and June 30, 2021, were \$18,879 and \$18,600, respectively. This lease has not been renewed after December 31, 2022.

Total office lease expense for the fiscal years ended June 30, 2022 and June 30, 2021 was \$86,442 and \$92,064, respectively.

Future minimum office lease base rent obligations are as follows:

<u>Fiscal year ended:</u>	<u>Illinois Office</u>	<u>Illinois Office</u>	<u>Total</u>
June 30, 2023	\$ 61,074	\$ 9,579	\$ 70,653
June 30, 2024	61,770	-	61,770
June 30, 2025	63,883	-	63,883
June 30, 2026	66,068	-	66,068
June 30, 2027	45,038	-	45,038
Total	<u>\$ 297,832</u>	<u>\$ 9,579</u>	<u>\$ 307,411</u>

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 12 - EMPLOYER RETIREMENT PLAN CONTRIBUTIONS**

KAN-WIN maintains a 403(b) retirement plan for its employees. All KAN-WIN employees are eligible to participate in the plan. Employer contributions to the plan are equal to the lesser of three percent of the participating employee's plan contribution or compensation. Total employer contributions to the plan for the fiscal years ended June 30, 2022, and June 30, 2021 were \$9,786 and \$5,380, respectively.



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based  
on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

Board of Directors KAN-WIN

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KAN-WIN, a nonprofit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 3, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KAN-WIN's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KAN-WIN's internal control. Accordingly, we do not express an opinion on the effectiveness of the KAN-WIN's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KAN-WIN's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KAN-WIN's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KAN-WIN's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BG Advisors CPA, Ltd*  
BG Advisors CPA, Ltd

Naperville, IL  
January 3, 2023



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance  
Required by the Uniform Guidance

The Board of Directors KAN-WIN

Report on Compliance for Each Major Federal Program

We have audited KAN-WIN's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of KAN-WIN's major federal programs for the fiscal year ended June 30, 2022. KAN-WIN's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of KAN-WIN's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KAN-WIN's compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KAN-WIN's compliance.

Opinion on Each Major Federal Program

In our opinion, KAN-WIN complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2022.

(Report continued on next page)



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance  
Required by the Uniform Guidance

(Continued from the preceding page)

Report on Internal Control Over Compliance

KAN-WIN's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KAN-WIN's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KAN-WIN's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BG Advisors CPA, Ltd*

BG Advisors CPA, Ltd

Naperville, IL

January 3, 2023

KAN-WIN  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<b>SECTION I - SUMMARY OF AUDITOR'S RESULTS</b>	
<b><u>Financial Statements</u></b>	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Any material weaknesses identified?	NO
Any reportable conditions identified that are not considered to be material weaknesses?	NO
Any non-compliance material to financial statements noted?	NO
<b><u>Federal Awards</u></b>	
Internal control over major programs:	
Any material weaknesses identified?	NO
Any reportable conditions identified that are not considered to be material weaknesses?	NO
Type of auditor report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	NO
<b><u>Identification of major programs:</u></b>	
Crime Victim Assistance	CFDA No. 16.575
Culturally and Linguistically Specific Services	CFDA No. 16.016
Dollar threshold to distinguish between type A and type B programs:	\$750,000
<b>SECTION II - FINANCIAL STATEMENT FINDINGS</b>	
For the fiscal year ended June 30, 2022, there were no reportable conditions, material weaknesses, or instances of non-compliance related to the financial statements that are required to be reported in accordance with the Uniform Guidance.	
<b>SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>	
For the fiscal year ended June 30, 2022, there were no matters required to be reported under Uniform Guidance CFR 200.516(a).	
<b>SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS</b>	
For the fiscal year ended June 30, 2021, the auditee received and expended less than \$750,000 of federal awards and was therefore, not required to undergo an audit in compliance with Uniform Guidance.	
<b>SECTION V - REPORTING REQUIREMENT UNDER UNIFORM GUIDANCE CFR 200.520</b>	
Auditee qualified as a low-risk auditee?	NO

KAN-WIN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022, AND JUNE 30, 2021

Grantor / Program	Pass-Through Grantor	CFDA Number	Agency Pass Through Number	Award Expended	
				06/30/2022	06/30/2021
<b>U.S. Department of Housing and Urban Development</b>					
Community Development Block Grants	County of Cook, Illinois	14.218	1904-054/2004-25	\$ 4,375	\$ 16,725
Homeless Services Program: Rapid Re-Housing Program	N/A	14.231	174287	22,572	-
				<u>\$ 26,947</u>	<u>\$ 16,725</u>
<b>U.S. Department of Justice</b>					
Culturally and Linguistically Specific Services Program	N/A	16.016	2018-UW-AX-0011	\$ 144,021	\$ 134,234
Coronavirus Emergency Supplemental Funding	Illinois Criminal Justice Information Authority	16.034	820010	52,830	13,602
Research and Evaluation	University of Georgia Research Foundation, In	16.026	2018-SI-AX-0003	-	19,343
* Crime Victim Assistance	Illinois Criminal Justice Information Authority	16.575	218076	32,925	183,972
* Crime Victim Assistance	Illinois Coalition Against Domestic Violence	16.575	218001	200,225	199,975
* Crime Victim Assistance	Lifespan	16.575	1745-19455	4,000	16,600
Crime Victim Assistance Discretionary Grants	Swedish Covenant Hospital	16.582	N/A	5,000	5,000
Violence Against Women Formula Grants	Illinois Criminal Justice Information Authority	16.588	618012	102,167	65,251
Grants for Outreach Services to Underserved Populations	N/A	16.889	2018-UD-AX-0004	48,578	199,975
Total, U.S. Department of Justice				<u>\$ 589,746</u>	<u>\$ 837,952</u>
City of Chicago's Department of Family and Support Services					
<b>U.S. Department of Health and Human Services</b>					
Social Services Block Grant	Illinois Department of Human Services	93.667	FCZT03697	\$ 48,200	\$ 70,171
Family Violence Program Services	Illinois Department of Human Services	93.671	FCZT03697	115,291	20,969
Total U.S. Department of Health and Human Services				<u>\$ 163,491</u>	<u>\$ 91,140</u>
<b>Total Federal Awards</b>				<u>\$ 780,184</u>	<u>\$ 945,817</u>

SCHEDULE OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS

Program title	CFDA Number	Fiscal Year Ended	
		06/30/2022	06/30/2021
None	N/A	\$ -	\$ -

VALUE OF FEDERAL AWARDS EXPENDED IN THE FORM OF NON-CASH ASSISTANCE, THE AMOUNT OF INSURANCE IN EFFECT DURING THE YEAR, AND LOANS OR LOAN GUARANTEES OUTSTANDING AT YEAR END

Program title	CFDA Number	Fiscal Year Ended	
		06/30/2022	06/30/2021
None	N/A	\$ -	\$ -