

KAN-WIN  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(With summarized comparative information for the fiscal year ended June 30, 2022)



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KAN-WIN FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(With summarized comparative information for the fiscal year ended June 30, 2022)

TABLE OF CONTENTS

Independent auditor’s Report

Financial Statements:

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
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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	14
SCHEDULE OF EXPENDITURES OF FEDERAL REWARDS .....	15



## Independent auditor's Report

The Board of Directors  
KAN-WIN  
664 N Milwaukee Ave, Suite 213  
Prospect Heights, IL 60070.

### Opinion

We have audited the financial statements of KAN-WIN, a nonprofit organization, which comprise the statement of financial position as of June 30, 2023, 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, 2023 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 the financial statements are available to be 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 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.
- 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.

#### Report on Summarized Comparative Information

We have previously audited Kan-Win's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### 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 15, 2024, 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.

KAN WIN  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2023  
(With summarized comparative totals as of June 30, 2022)

	June 30, 2023			June 30, 2022
	Without Donor Restrictions	With Donor Restrictions	Total	
<b><u>ASSETS</u></b>				
<b>CURRENT ASSETS</b>				
Cash (Note 5)	\$ 472,106	\$ 132,223	\$ 604,329	\$ 671,396
Certificate of deposit, original date to maturity one year or less (Note 5)	1,290,000	-	1,290,000	842,099
Contract fees receivable	448,449	-	448,449	383,712
Grant receivable within one year	-	-	-	3,750
Prepaid expenses	5,447	-	5,447	-
Total current assets	<u>2,216,002</u>	<u>132,223</u>	<u>2,348,225</u>	<u>1,900,957</u>
Office Equipment, Furniture & Fixtures net of accumulated depreciation (Note 6)	<u>7,853</u>	<u>-</u>	<u>7,853</u>	<u>11,899</u>
<b>OTHER ASSETS</b>				
Office lease security deposits	7,647	-	7,647	10,647
Operating lease right-of-use asset security assets (Note 10)	184,655	-	184,655	-
Total other assets	<u>192,302</u>	<u>-</u>	<u>192,302</u>	<u>10,647</u>
Total assets	<u>\$ 2,416,157</u>	<u>\$ 132,223</u>	<u>\$2,548,380</u>	<u>\$ 1,923,503</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 13,072	\$ -	\$ 13,072	\$ 13,482
Accrued payroll and payroll liabilities	99,258	-	99,258	80,989
Operating lease liabilities, current portion (Note 10)	54,225	-	54,225	-
Total current liabilities	<u>166,555</u>	<u>-</u>	<u>166,555</u>	<u>94,471</u>
<b>LONG-TERM DEBT</b>				
Operating lease liabilities, net of current portion (Note 10)	<u>130,430</u>	<u>-</u>	<u>130,430</u>	<u>-</u>
<b>TOTAL LONG-TERM DEBT</b>	<u>130,430</u>	<u>-</u>	<u>130,430</u>	<u>-</u>
Net assets (Note 4)	<u>2,119,172</u>	<u>132,223</u>	<u>2,251,395</u>	<u>1,829,032</u>
Total liabilities and net assets	<u>\$ 2,416,157</u>	<u>\$ 132,223</u>	<u>\$2,548,380</u>	<u>\$ 1,923,503</u>

The accompanying notes are an integral part of these financial statements

KAN-WIN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023  
(With summarized comparative totals for the year ended JUNE 30, 2022)

	<u>Fiscal Year Ended June 30, 2023</u>			<u>June 30, 2022</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
Public support and revenue:				
Public support:				
Grants and contributions (Note 7)	\$ 271,413	\$ 70,000	\$ 341,413	\$ 351,863
Special events, net of direct expenses (Note 8)	90,474	-	90,474	93,672
Total public support	<u>361,887</u>	<u>70,000</u>	<u>431,887</u>	<u>445,535</u>
Net assets released from restrictions upon satisfaction of program requirements	<u>194,950</u>	<u>(194,950)</u>	<u>-</u>	<u>-</u>
Revenue:				
Contract fees and awards	1,590,418	-	1,590,418	1,136,271
Interest income	31,439	-	31,439	6,891
Other	26,760	-	26,760	-
Total revenues	<u>1,648,617</u>	<u>-</u>	<u>1,648,617</u>	<u>1,143,162</u>
SBA PPP loan forgiveness	-	-	-	80,120
Total public support and revenues	<u>2,205,454</u>	<u>(124,950)</u>	<u>2,080,504</u>	<u>1,668,817</u>
Expenses:				
Program services:	<u>1,415,789</u>	<u>-</u>	<u>1,415,789</u>	<u>1,116,327</u>
Supporting services:				
Management and general	173,843		173,843	125,847
Resource development	68,510		68,510	49,538
Total supporting service expenses	<u>242,353</u>	<u>-</u>	<u>242,353</u>	<u>175,385</u>
Total expenses	<u>1,658,141</u>	<u>-</u>	<u>1,658,141</u>	<u>1,291,712</u>
Net increase (decrease) in net assets	547,313	(124,950)	422,363	377,106
Net assets:				
Beginning of the year	<u>1,571,859</u>	<u>257,173</u>	<u>1,829,032</u>	<u>1,451,926</u>
End of the year	<u>\$ 2,119,172</u>	<u>\$ 132,223</u>	<u>\$ 2,251,394</u>	<u>\$ 1,829,032</u>

The accompanying notes are an integral part of these financial statements

KAN-WIN  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023  
(With summarized comparative totals for the year ended JUNE 30, 2022)

	<u>SUPPORTING SERVICES</u>				<u>GRAND TOTALS</u>	
	Program Services	Managemen t and	Resource Development	Total	<b>2023</b>	<b>2022</b>
Staff Salaries and wages	\$ 755,508	\$ 132,214	\$ 56,663	\$ 188,877	\$ 944,385	\$ 677,917
Employer retirement plan contributions (Note 11)	13,245	2,713	-	2,713	15,958	9,786
Staff benefits	52,354	9,049	3,232	12,280	64,634	68,439
Employer payroll taxes	52,029	9,755	3,252	13,007	65,036	53,063
Professional and contract services	25,420	5,402	953	6,355	31,775	34,648
Client services	226,570	-	-	-	226,570	245,870
Community education	59,173	-	-	-	59,173	24,178
Office occupancy (Note 10)	85,086	-	-	-	85,086	90,480
Office supplies and expense	15,475	3,248	382	3,630	19,105	2,388
Insurance	28,368	5,810	-	5,810	34,178	26,069
Printing and photocopying	1,356	-	118	118	1,474	3,018
Telecommunications	22,418	-	-	-	22,418	21,177
Postage and courier	739	23	392	415	1,154	1,078
Training and development	61,211	5,629	3,518	9,147	70,358	16,109
Dues and subscriptions	12,313	-	-	-	12,313	12,423
Depreciation and amortization	4,046	-	-	-	4,046	4,420
Other	478	-	-	-	478	648
Total functional expenses	<u>\$ 1,415,789</u>	<u>\$ 173,843</u>	<u>\$ 68,510</u>	<u>\$ 242,353</u>	<u>\$ 1,658,141</u>	<u>\$ 1,291,712</u>

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

KAN-WIN  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023  
(With summarized comparative totals for the year ended JUNE 30, 2022)

	<b>Fiscal Year Ended:</b>	
	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 422,363	\$ 377,106
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation expense	4,046	4,420
SBA PPP loan forgiveness	-	(80,120)
(Increase) decrease in:		
Grant fees receivable	(64,737)	(126,180)
Grant receivable within one year	3,750	81,250
Grant receivable more than one year and less than three years	-	50,000
Prepaid expenses	(5,447)	7,127
Security deposit	3,000	7,647
Increase (decrease) in:		
Accounts payable	(410)	6,109
Accrued payroll and payroll liabilities	18,269	(12,704)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>380,834</b>	<b>314,655</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Certificates of deposits redeemed	-	502,695
Certificate of deposits purchased, interest reinvested	(447,901)	(842,099)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(447,901)</b>	<b>(339,404)</b>
 NET INCREASE (DECREASE) IN CASH	 (67,067)	 (24,749)
 CASH, BEGINNING OF THE YEAR	 671,396	 696,145
CASH, END OF THE YEAR	\$ 604,329	\$ 671,396

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, 2023

**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 12, 2024, the date financial statements were available to be issued.

**Donated Services**

During the fiscal year ended June 30, 2023, 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.

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**Leases, Right of Use Asset and Lease Liability**

Effective July 1, 2022, KAN-WIN adopted Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 842, Leases. Organization determines if an arrangement contains a lease at inception based on whether KAN-WIN has the right to control the asset during the contract period and other facts and circumstances. KAN-WIN elected the package of practical expedients permitted under the transition guidance within the new standard, which, among other things, allowed it to carry forward the historical lease classification.

KAN-WIN has a lease agreement for its office facility. KAN-WIN does not separate lease components from non-lease components for its real estate lease. For operating leases that have a lease term of greater than one year, the Organization initially recognizes operating lease liabilities and right-of-use (“ROU”) assets at the lease commencement date, which is the date that the lessor makes an underlying asset available for use by the Organization. ROU assets represent organization’s right to use an underlying asset for the lease term and lease liabilities represent the present value of the organization’s obligation to make lease payments, including escalating fixed payments and net of rent holiday months, over the lease term. The discount rate used to determine the present value of the lease payments is the risk free interest rate for a similar term because the implicit rate in the lease is not readily determinable. The organization’s lease term for its leases represent the noncancelable period for which the Organization has the right to use an underlying asset, together with all of the following: (i) periods covered by an option to extend the lease if the Organization is reasonably certain to exercise that option; (ii) periods covered by an option to terminate the lease if organization is reasonably certain not to exercise that option; and (iii) periods covered by an option to extend (or not to terminate) the lease in which exercise of the option is controlled by the lessor. The Organization recognizes lease payments as lease expense on a straight-line basis over the lease term. The organization’s operating ROU asset and lease liability are presented as separate assets and liabilities, respectively, on its balance sheet.

**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, 2022, from which the summarized information was derived.

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

Net assets with temporary donor restrictions as of June 30, 2023, will be available for the following program services:

General operations and program support, time-restricted \$132,223

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

Cash consists of demand deposits in financial institutions.

Certificates of deposits with an original term to maturity greater than 90 days are classified on the statement of financial position separately from cash.

As of June 30, 2023, the amount of KAN-WIN’s demand deposits in financial institutions and certificates of deposit exceeded the FDIC insured limit by \$264,954. KAN-WIN has not experienced a loss, and believes it is not exposed to any significant risk of loss on such bank balances.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 6 - OFFICE FURNITURE, FIXTURES, AND EQUIPMENT**

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 generally requires a per-item minimum value of 1,000.

	<b>2023</b>	<b>2022</b>
Office Furniture, Fixtures and Equipment	\$ 102,739	\$ 102,739
Less accumulated depreciation	94,886	90,840
Office Furniture, Fixtures and Equipment, net of accumulated depreciation	\$ 7,853	\$ 11,899

**NOTE 7 - GRANTS AND CONTRIBUTIONS**

KAN-WIN recognized grants and contributions from the following grantors and donors for the fiscal years ended June 30, 2023, and June 30, 2022:

<b>Grants and contributions</b>	<b>2023</b>	<b>2022</b>
Asian American Advancing Justice	\$ -	\$ 40,000
Arie & Ida Crown Memorial Foundation	55,000	-
Blowitz-Ridgeway Foundation	20,000	20,000
Chicago Community Foundation	-	16,340
Chicago Foundation for Women	25,000	25,000
Circle of Service Foundation	15,000	35,000
City of Des Plaines	5,623	-
Illinois Attorney General	49,260	24,500
National Asian Pacific American Women's Forum	50,000	20,000
Nike	25,000	-
Northfield township human services	15,000	25,000
Polk Brothers. Foundation	35,000	15,000
Philanthropic Ventures Foundation	-	20,000
Individuals, each \$5,000 or more	61,974	-
Others, under \$5,000 each	46,530	111,023
Total Grants and Contribution	\$ 341,413	\$ 351,863

**NOTE 8 - SPECIAL EVENTS**

Gross proceeds from special events held during the fiscal year ended June 30, 2023, were \$95,713, related direct expenses were \$5,239 gross proceeds net of related direct expenses were \$90,474.

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.

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 9 - CONTRACT FEES AND AWARDS**

KAN-WIN recognized contract fees and awards from the following contractors for the fiscal years ended June 30, 2023, and June 30, 2022:

<u>Contracts and Awards</u>	<u>2023</u>	<u>2022</u>
Community Development Block Grant (CDBG)	\$ 13,125	\$ -
City of Chicago, Dept. of Family and Support Services	52,485	22,572
HEART Women & Girls	5,000	-
Illinois Criminal Justice Information Authority	281,838	318,492
Illinois Coalition Against Domestic Violence	-	200,225
Illinois Department of Human Services	683,813	163,491
Life Span	-	4,000
National Asian Pacific American Women Foundation	-	5,000
The Network	5,000	-
U.S. Department of Justice, Office on Violence Against Women	331,422	352,816
United Way	-	60,000
Victims of Crime Act (VOCA)	199,725	-
Others, less than \$5,000 each (both years)	18,010	9,675
Total contracts and awards	<u>\$ 1,590,418</u>	<u>\$ 1,136,271</u>

**NOTE 10 - LEASE COMMITMENTS**

KAN-WIN leases office space located in Park Ridge, IL from October 1, 2018, and renewed the lease on March 1, 2022 through February 28, 2027. The 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 expenses 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, 2023, and June 30, 2022, were \$72,152 and \$67,563, respectively.

KAN-WIN also leases office space, located in Chicago, IL, under an agreement that began on January 1, 2019, and continued through December 31, 2022 and was not renewed. The 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 expenses under this lease for the fiscal years ended June 30, 2023, and June 30, 2022, were \$9,579 and \$18,879, respectively.

Total office lease expenses for the fiscal years ended June 30, 2023, and June 30, 2022, were \$85,086 and \$90,480, respectively.

KAN-WIN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 10 - LEASE COMMITMENTS (continued)**

Weighted average lease term and discount rate for operating leases as of June 30, 2023 were as follows:

Weighted average remaining lease term	4.67
Weighted average discount rate	2.88%

Future base rent obligations under this lease as of June 30, 2023 are as follows:

Year Ending June 30,	<u>Amount</u>
2024	\$ 61,770
2025	63,883
2026	66,068
2027	<u>45,038</u>
Total minimum lease payments	236,759
Less interest	<u>(52,104)</u>
Present value of lease liabilities	<u>\$ 184,655</u>

**NOTE 11 - 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, 2023, and June 30, 2022, were \$15,958 and \$9,786, respectively.

**NOTE 12 - Liquidity**

KAN-WIN manages cash available to meet general expenditures by operating within a prudent range of financial soundness and maintaining adequate liquid assets. KAN-WIN has \$472,106 of cash which is available for general expenditures within one year.



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  
664 N Milwaukee Ave, Suite 213  
Prospect Heights, IL 60070.

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 the KAN-WIN, an Illinois not-for-profit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 15, 2024.

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 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 our 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  
January 15, 2024



**REPORT ON COMPLIANCE FOR A FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE WHEN USING THE PROGRAM-SPECIFIC AUDIT OPTION TO SATISFY  
THE UNIFORM GUIDANCE AUDIT REQUIREMENTS**

**Independent Auditor's Report**

The Board of Directors  
KAN-WIN  
664 N Milwaukee Ave, Suite 213  
Prospect Heights, IL 60070.

Report on Compliance for Each Major Federal Program

We have audited the 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, 2023.

In our opinion, KAN-WIN complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of KAN-WIN's major federal program for the year ended June 30, 2023.

Management's Responsibility

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of KAN-WIN and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of KAN-WIN's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to KAN-WIN's federal programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on KAN-WIN's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about KAN-WIN's compliance with the requirements of federal program.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 *KAN-WIN's* compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of KAN-WIN's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 KAN-WIN's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Government Auditing Standards requires the auditor to perform limited procedures on KAN-WIN's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. KAN-WIN's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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  
Naperville, IL 60563  
January 15, 2024

KAN-WIN  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<b>SECTION 1 - SUMMARY OF AUDITOR'S RESULTS</b>	
<b><u>Financial Statements</u></b>	
Type of auditors 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
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, 2023, 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, 2023, 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, 2023, 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 REWARDS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023, AND JUNE 30, 2022

Grantor / Program	Pass-Through Grantor	CFDA Number	Agency Pass Through Number	Award Expended For The Year Ended June 30,	
				2023	2022
<b><u>U.S. Department of Housing and Urban Development</u></b>					
U.S. Department of Housing and Urban Development					
Community Development Block Grants	County of Cook, Illinois	14.218	1904-054/2004-25	\$ 17,207	\$ 4,375
Homeless Services Program: Rapid Re-Housing	N/A	14.231	174287	27,011	22,572
				\$ 44,218	\$ 26,947
<b><u>U.S. Department of Justice</u></b>					
Culturally and Linguistically Specific Services Program	N/A	16.016	2018-UW-AX-0011	\$ 94,650	\$ 144,021
Coronavirus Emergency Supplemental Funding	Illinois Criminal Justice Information Authority	16.034	820010	13,472	52,830
Research and Evaluation	University of Georgia Research Foundation, In	16.026	2018-SI-AX-0003	-	-
Crime Victim Assistance	Illinois Criminal Justice Information Authority	16.575	218076	-	32,925
Crime Victim Assistance	Illinois Criminal Justice Information Authority	16.575	219076	130,463	125,497
Crime Victim Assistance	Illinois Criminal Justice Information Authority	16.575	219176	29,901	-
Crime Victim Assistance	Illinois Coalition Against Domestic Violence	16.575	218001	199,725	200,225
Crime Victim Assistance	Lifespan	16.575	1745-19455	-	4,000
Crime Victim Assistance Discretionary Grants	Swedish Covenant Hospital	16.582	N/A	-	5,000
Violence Against Women Formula Grants	Illinois Criminal Justice Information Authority	16.588	618012	107,992	102,167
Grants for Outreach Services to Underserved	N/A	16.889	2018-UD-AX-0004	-	48,578
Total, U.S. Department of Justice				\$ 576,204	\$ 715,242
<b><u>U.S. Department of Health and Human Services</u></b>					
Social Services Block Grant	Illinois Department of Human Services	93.667	FCZT03697	\$ 80,120	\$ 48,200
Family Violence Program Services	Illinois Department of Human Services	93.671	FCZT03697	45,641	115,291
Total U.S. Department of Health and Human Services				\$ 125,761	\$ 163,491
<b>TOTAL FEDERAL AWARDS</b>				\$ 746,182	\$ 905,680

KAN-WIN  
 SCHEDULE OF EXPENDITURES OF FEDERAL REWARDS  
 FOR THE FISCAL YEAR ENDED  
 JUNE 30, 2023, AND JUNE 30, 2022

SCHEDULE OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS

<u>Program title</u>	<u>CFDA Number</u>	<u>Fiscal Year Ended June 30,</u>	
		<u>2023</u>	<u>2022</u>
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

<u>Program title</u>	<u>CFDA Number</u>	<u>Fiscal Year Ended June 30,</u>	
		<u>2023</u>	<u>2022</u>
None	N/A	\$ -	\$ -