

KAN-WIN
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021
(With summarized comparative information
for the fiscal year ended June 30, 2020)

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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 and Changes in Net Assets	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

Independent Auditor's Report

Board of Directors
KAN-WIN

Report on the Financial Statements

We have audited the accompanying financial statements of KAN-WIN, an Illinois not-for-profit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KAN-WIN as of June 30, 2021 and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Prior Year Summarized Comparative Information

The prior year summarized comparative information has been derived from KAN-WIN's June 30, 2020 financial statements, which was audited by another auditor. His report dated February 2, 2021 expressed an unmodified opinion on those financial statements.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 December 20, 2021, 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 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 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

December 20, 2021

KAN-WIN
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021
(With summarized comparative totals as of June 30, 2020)

	As of June 30, 2021			Summarized Comparative Totals as of June 30, 2020
	Without Donor Restrictions	With Donor Restrictions	Total	
<u>ASSETS</u>				
Current assets:				
Cash (Note 5)	\$ 615,519	\$ 80,625	\$ 696,144	\$ 865,379
Certificate of deposit, original date to maturity one year or less (Note 5)	251,620	-	251,620	123,667
Contract fees receivable	257,532	-	257,532	217,042
Grants receivable within one year	-	85,000	85,000	15,000
Prepaid expenses	7,127	-	7,127	6,831
Total current assets	<u>1,131,798</u>	<u>165,625</u>	<u>1,297,423</u>	<u>1,227,919</u>
Office furniture, fixtures, and equipment at cost net of \$86,420 and \$82,000 of accumulated depreciation as of June 30, 2021 and June 30, 2020, respectively (Note 6)	<u>16,319</u>	<u>-</u>	<u>16,319</u>	<u>20,739</u>
Other assets:				
Certificate of deposit, original date to maturity greater than one year (Note 5)	251,075	-	251,075	-
Grants receivable, more than one year and less than three years	-	50,000	50,000	-
Office lease security deposits	18,294	-	18,294	18,294
Total other assets	<u>269,369</u>	<u>50,000</u>	<u>319,369</u>	<u>18,294</u>
Total assets	<u>\$ 1,417,486</u>	<u>\$ 215,625</u>	<u>\$ 1,633,111</u>	<u>\$ 1,266,952</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable	\$ 7,373	\$ -	\$ 7,373	\$ 7,336
Accrued payroll and payroll liabilities	93,692	-	93,692	46,685
Total current liabilities	<u>101,065</u>	<u>-</u>	<u>101,065</u>	<u>54,021</u>
Long-term liabilities:				
U.S. Small Business Administration Payroll Protection Program loan (Note 7)	80,120	-	80,120	80,120
Total liabilities	<u>181,185</u>	<u>-</u>	<u>181,185</u>	<u>134,141</u>
Net assets (Note 4)	<u>1,236,301</u>	<u>215,625</u>	<u>1,451,926</u>	<u>1,132,811</u>
Total liabilities and net assets	<u>\$ 1,417,486</u>	<u>\$ 215,625</u>	<u>\$ 1,633,111</u>	<u>\$ 1,266,952</u>

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, 2021
(With summarized comparative totals for the fiscal year ended June 30, 2020)

	Fiscal Year Ended June 30, 2021			Summarized Comparative Totals, Fiscal Year Ended June 30, 2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support and revenue:				
Public support:				
Grants and contributions (Note 8)	\$ 211,149	\$ 215,625	\$ 426,774	\$ 320,565
Special events, net of direct expenses (Note 9)	57,983	-	57,983	69,273
Total public support	<u>269,132</u>	<u>215,625</u>	<u>484,757</u>	<u>389,838</u>
Net assets released from restrictions upon satisfaction of program requirements	<u>115,000</u>	<u>(115,000)</u>	<u>-</u>	<u>-</u>
Revenues:				
Contract fees and awards (Note 10)	952,097	-	952,097	702,472
Program services	-	-	-	5,925
Interest income	4,651	-	4,651	5,192
Other	139	-	139	1,783
Total revenues	<u>956,887</u>	<u>-</u>	<u>956,887</u>	<u>715,372</u>
Total public support and revenues	<u>1,341,019</u>	<u>100,625</u>	<u>1,441,644</u>	<u>1,105,210</u>
Expenses:				
Program services	973,100	-	973,100	902,282
Supporting services:				
Management and general	107,940	-	107,940	94,896
Resource development	41,489	-	41,489	39,826
Total supporting services expenses	<u>149,429</u>	<u>-</u>	<u>149,429</u>	<u>134,722</u>
Total expenses	<u>1,122,529</u>	<u>-</u>	<u>1,122,529</u>	<u>1,037,004</u>
Net increase in net assets	218,490	100,625	319,115	68,206
Net assets:				
Beginning of the fiscal year, before prior year adjustment	1,017,811	115,000	1,132,811	938,025
Prior year adjustment (Note 11)	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,580</u>
Beginning of the fiscal year, after prior year adjustment	<u>1,017,811</u>	<u>115,000</u>	<u>1,132,811</u>	<u>1,064,605</u>
End of the fiscal year	<u>\$ 1,236,301</u>	<u>\$ 215,625</u>	<u>\$ 1,451,926</u>	<u>\$ 1,132,811</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, 2021
(With summarized comparative totals for the fiscal year ended June 30, 2020)

	Program Services	Supporting Services			Grand Totals	
		Management and General	Resource Develop- ment	Total	2021	2020
Staff salaries and wages	\$ 451,008	\$ 78,926	\$ 33,826	\$ 112,752	\$ 563,760	\$ 492,546
Employer retirement plan contributions (Note 13)	4,465	915	-	915	5,380	5,444
Staff benefits	31,569	5,456	1,949	7,405	38,974	44,052
Employer payroll taxes	36,472	6,921	2,745	9,666	46,138	41,602
Professional and contract services	44,285	9,200	1,252	10,452	54,737	68,245
Client services	202,974	-	-	-	202,974	147,407
Community education	30,907	-	-	-	30,907	20,481
Office occupancy (Note 12)	95,233	-	-	-	95,233	86,512
Equipment maintenance and non-capitalized purchases	-	-	-	-	-	11,792
Office supplies and expenses	2,790	589	59	648	3,438	13,869
Insurance	25,637	5,000	-	5,000	30,637	24,353
Printing and photocopying	1,771	-	158	158	1,929	2,979
Telecommunications	15,492	-	-	-	15,492	13,709
Postage and courier	1,671	45	900	945	2,616	4,594
Travel	-	-	-	-	-	8,879
Training and development	10,157	888	600	1,488	11,645	12,203
Dues and subscriptions	12,517	-	-	-	12,517	7,416
Refund of contract revenue	148	-	-	-	148	14,609
Depreciation	4,420	-	-	-	4,420	4,420
Other	1,584	-	-	-	1,584	11,892
Total functional expenses	\$ 973,100	\$ 107,940	\$ 41,489	\$ 149,429	\$ 1,122,529	\$ 1,037,004

The accompanying notes are an integral part of these financial statements

KAN-WIN
STATEMENT OF CASH FLOWS

	Fiscal Year Ended June 30,	
	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Net increase in net assets	\$ 319,115	\$ 68,206
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation expense	4,420	4,420
(Increase) decrease in:		
Contract fees receivable	(40,490)	(37,647)
Grant receivable within one year	(70,000)	20,000
Grants receivable, more than one year and less than three years	(50,000)	-
Prepaid expenses	(296)	2,967
Increase (decrease) in:		
Accounts payable	37	7,336
Accrued payroll and payroll liabilities	47,007	46,685
NET CASH PROVIDED BY OPERATING ACTIVITIES	209,793	111,967
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Purchase(s) of capitalized office furniture, fixtures, and equipment	-	(2,261)
Certificates of deposits redeemed	123,745	-
Certificates of deposits purchased, including interest reinvested	(502,773)	-
Net cash used in investing activities	(379,028)	(2,261)
CASH PROVIDED BY FINANCING ACTIVITIES		
Proceeds, U.S. Small Business Administration Payroll Protection Program loan	-	80,120
NET (DECREASE) INCREASE IN CASH	(169,235)	189,826
CASH, BEGINNING OF THE YEAR	865,379	675,553
CASH, END OF THE YEAR	\$ 696,144	\$ 865,379

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, 2021

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 December 20, 2021, 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, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

During the fiscal year ended June 30, 2021 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, 2020, from which the summarized information was derived.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with temporary donor restrictions as of June 30, 2021 will be available for the following program services:

General operations and program support, time-restricted	\$ <u>215,625</u>
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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, 2021 the amount of KAN-WIN's demand deposits in financial institutions and certificates of deposit exceeded the FDIC insured limit by \$320,351. 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 will recognize 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, 2021

NOTE 8 - GRANTS AND CONTRIBUTIONS

KAN-WIN recognized grants and contributions from the following grantors and donors for the fiscal years ended June 30, 2021 and June 30, 2020:

<u>Grantor / Donor:</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
American Council of Learned Societies	\$ -	\$ 10,000
Alphawood Foundation	-	40,000
Arie & Ida Crown Memorial	150,000	-
Bank of Hope	-	7,500
Blowitz-Ridgeway Foundation	-	15,000
Chicago Community Foundation	6,750	-
Chicago Foundation for Women	25,000	50,000
Circle of Service Foundation	15,000	15,000
City of Des Plaines, Health & Human Services Division	8,111	-
Cook County Illinois Community Development Block Grant	16,725	22,400
Illinois Attorney General	24,500	24,500
John D. & Catherine T. MacArthur Foundation	6,350	-
Polk Brothers. Foundation	70,000	40,000
Swedish Covenant Hospital	5,000	5,000
Township of Northfield	12,500	6,000
United Way	-	25,000
Individuals, each \$5,000 or more	5,335	5,000
Others under \$5,000 each	81,503	55,165
Total grants and contributions	<u>\$ 426,774</u>	<u>\$ 320,565</u>

NOTE 9 - SPECIAL EVENTS, net of direct expenses

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.

Gross proceeds from special events held during the fiscal year ended June 30, 2020 were \$85,582, related direct expenses were \$16,309, gross proceeds net of related direct expenses were \$69,273.

KAN-WIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - CONTRACT FEES AND AWARDS

KAN-WIN recognized contract fees and awards from the following contractors for the fiscal years ended June 30, 2021 and June 30, 2020:

<u>Contractor:</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
City of Chicago, Dept. of Family and Support Services	\$ 58,808	\$ 48,621
Illinois Criminal Justice Information Authority	262,826	93,076
Illinois Coalition Against Domestic Violence	199,975	199,080
Illinois Department of Human Services	146,311	140,342
Life Span	16,600	-
National Asian Pacific American Women Foundation	5,000	-
U.S. Department of Justice, Office on Violence Against Women ...	241,236	202,737
University of Georgia Research Foundation, Inc.	19,343	18,466
Others, less than \$5,000 each (both years)	1,998	150
Total grants and contributions	<u>\$ 952,097</u>	<u>\$ 702,472</u>

NOTE 11 - PRIOR YEAR ADJUSTMENT

Net assets as of June 30, 2019 were adjusted to correct a \$126,580 understatement of contract receivable and revenues.

NOTE 12 - LEASE COMMITMENTS

KAN-WIN leases office space located in Park Ridge, IL under a four-year agreement that began on October 1, 2018 and continues through February 28, 2022. 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, 2021 and June 30, 2020 was \$73,464 and \$63,494, 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, 2021 and June 30, 2020 was \$18,600 and \$18,250, respectively.

Total office lease expense for the fiscal years ended June 30, 2021 and June 30, 2020 was \$92,064 and \$81,744, respectively.

Future minimum office lease base rent obligations are as follows:

<u>Fiscal year ended:</u>	<u>Park Ridge, Illinois Office</u>	<u>Chicago, Illinois Office</u>	<u>Total</u>
June 30, 2022	\$ 41,187	\$ 18,879	\$ 60,066
June 30, 2021	-	9,579	9,579
Total	<u>\$ 41,187</u>	<u>\$ 28,458</u>	<u>\$ 69,645</u>

KAN-WIN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - 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, 2021 and June 30, 2020 were \$5,380 and \$5,444, 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, 2021, 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 December 20, 2021.

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

December 20, 2021

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, 2021. 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, 2021.

(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

December 20, 2021

KAN-WIN
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS	
<u>Financial Statements</u>	
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
<u>Federal Awards</u>	
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
<u>Identification of major programs:</u>	
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
SECTION II - FINANCIAL STATEMENT FINDINGS	
For the fiscal year ended June 30, 2021, 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.	
SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	
For the fiscal year ended June 30, 2021, there were no matters required to be reported under Uniform Guidance CFR 200.516(a).	
SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	
For the fiscal year ended June 30, 2020, 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.	
SECTION V - REPORTING REQUIREMENT UNDER UNIFORM GUIDANCE CFR 200.520	
Auditee qualified as a low-risk auditee?	NO

KAN-WIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Grantor / Program	Pass-Through Grantor	CFDA Number	Agency Pass Through Number	Award Expended
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grants	County of Cook, Illinois	14.218	1904-054/2004-25	\$ 16,725
<u>U.S. Department of Justice</u>				
* Culturally and Linguistically Specific Services Program	N/A	16.016	2018-UW-AX-0011	134,234
Coronavirus Emergency Supplemental Fundin Research and Evaluation	Illinois Criminal Justice Information Authority	16.034	820010	13,602
* Crime Victim Assistance	University of Georgia Research Foundation, Ir	16.026	2018-SI-AX-0003	19,343
* Crime Victim Assistance	Illinois Criminal Justice Information Authority	16.575	218076	183,972
* Crime Victim Assistance	Illinois Coalition Against Domestic Violence	16.575	218001	199,975
* Crime Victim Assistance	Lifespan	16.575	1745-19455	16,600
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	65,251
Grants for Outreach Services to Underserved Populations	N/A	16.889	2018-UD-AX-0004	199,975
Total, U.S. Department of Justice				<u>837,952</u>
<u>U.S. Department of Health and Human Services</u>				
Social Services Block Grant	Illinois Department of Human Services	93.667	FCZT03697	70,171
Family Violence Program Services	Illinois Department of Human Services	93.671	FCZT03697	20,969
Total, U.S. Department of Health and Human Services				<u>91,140</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 945,817</u>

SCHEDULE OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS

Program title	CFDA Number	Amount
None	NA	\$ -

**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	Amount
None	NA	\$ -

* - Audited as a major program for the fiscal year ended June 30, 2021

KAN-WIN elected to use the 10% de minimis cost rate under Uniform Guidance for the fiscal year ended June 30, 2021
The three schedules presented on this page were prepared on the accrual basis of accounting, which is consistent with the accounting
basis used to prepare the general purpose financial statements.