

**Audited Financial Statements**



**WESTSIDE**  
**FOOD BANK**

**June 30, 2023**

**Quigley & Miron**

**Westside Food Bank**  
**Audited Financial Statements and Other Information**  
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**June 30, 2023**

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## Independent Auditor's Report

Board of Directors  
**Westside Food Bank**  
Santa Monica, California

We have audited the accompanying financial statements of Westside Food Bank (WSFB), 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.

### 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 of 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 audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westside Food Bank as of June 30, 2023, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Westside Food Bank's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

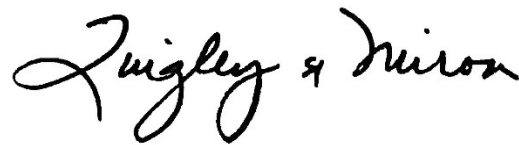
### **Other Matters**

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 is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the financial statements. The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards 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 reports dated May 6, 2024, on our consideration of Westside Food Bank's internal control over financial reporting, and 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 the 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 Westside Food Bank's internal control over financial reporting and compliance.

Los Angeles, California  
May 6, 2024

A handwritten signature in black ink that reads "Zugley & Miron". The signature is written in a cursive, flowing style.

Westside Food Bank  
Statement of Financial Position  
June 30, 2023  
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,263,712	\$ 3,841,960
Cash restricted to investment in equipment	50,000	53,000
Investments—Note 3	1,154,291	999,671
Contributions and grants receivable—Note 4	326,610	566,022
Prepaid expenses and other assets	86,836	59,063
Inventory—Note 5	596,728	337,042
	<u>4,478,177</u>	<u>5,856,758</u>
<b>Total Current Assets</b>		
Noncurrent assets		
Equipment, net—Note 6	184,047	215,983
Operating lease right-of-use-asset—Note 8	1,077,094	
Deposits	75,168	28,182
	<u>1,336,309</u>	<u>244,165</u>
<b>Total Noncurrent Assets</b>		
	<u>\$ 5,814,486</u>	<u>\$ 6,100,923</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 246,031	\$ 160,561
Operating lease liability, current—Note 8	687,452	
	<u>933,483</u>	<u>160,561</u>
<b>Total Current Liabilities</b>		
Long-term liabilities		
Operating lease liability—Note 8	402,258	
	<u>402,258</u>	
<b>Total Long-Term Liabilities</b>		
	<u>1,335,741</u>	<u>160,561</u>
<b>Total Liabilities</b>		
<b>Commitments and Contingencies—Notes 8 and 9</b>		
<b>Net Assets</b>		
Without donor restrictions—Note 10	3,979,371	4,870,189
With donor restrictions—Note 11	499,374	1,070,173
	<u>4,478,745</u>	<u>5,940,362</u>
<b>Total Net Assets</b>		
	<u>\$ 5,814,486</u>	<u>\$ 6,100,923</u>
<b>Total Liabilities and Net Assets</b>		

See notes to financial statements.

Westside Food Bank  
Statement of Activities  
Year Ended June 30, 2023  
(with summarized comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
<b>Operating Activities</b>				
<b>Support and Revenue</b>				
Contributions	\$ 1,058,931	\$	\$ 1,058,931	\$ 1,601,277
Contributed food—non-governmental	2,920,036		2,920,036	1,918,177
Contributed food—governmental	149,339		149,339	323,305
Grants				
Foundations	1,228,898	552,222	1,781,120	1,835,163
Government				
Federal Emergency Food and Shelter Program		16,500	16,500	900,000
City of Santa Monica		117,465	117,465	114,377
City of Beverly Hills		250,000	250,000	200,000
Other governmental agencies	9,450		9,450	171,174
Interest and dividend income	97,459		97,459	33,574
<b>Total Support and Revenue</b>	<b>5,464,113</b>	<b>936,187</b>	<b>6,400,300</b>	<b>7,097,047</b>
Net assets released from restrictions	1,506,986	(1,506,986)		
<b>Total Support, Revenue, and Releases from Restrictions</b>	<b>6,971,099</b>	<b>(570,799)</b>	<b>6,400,300</b>	<b>7,097,047</b>
<b>Expenses</b>				
Program services				
Food assistance services	7,112,574		7,112,574	5,634,051
Community engagement event	14,585		14,585	20,073
Supporting services				
Management and general	386,012		386,012	307,951
Fund development	481,680		481,680	338,914
<b>Total Expenses</b>	<b>7,994,851</b>		<b>7,994,851</b>	<b>6,300,989</b>
<b>Change in Net Assets From Operations</b>	<b>(1,023,752)</b>	<b>(570,799)</b>	<b>(1,594,551)</b>	<b>796,058</b>
<b>Nonoperating Activities</b>				
Investment return, net	144,816		144,816	(197,447)
<b>Total Nonoperating Activities</b>	<b>144,816</b>		<b>144,816</b>	<b>(197,447)</b>
<b>Change in Net Assets</b>	<b>(878,936)</b>	<b>(570,799)</b>	<b>(1,449,735)</b>	<b>598,611</b>
<b>Net Assets at Beginning of Year, as previously reported</b>	<b>4,870,189</b>	<b>1,070,173</b>	<b>5,940,362</b>	<b>5,341,751</b>
Cumulative effect of adoption of ASU 2016-02, <i>Leases (Topic 842)</i> —Note 8	(11,882)		(11,882)	
<b>Net Assets at Beginning of Year, as restated</b>	<b>4,858,307</b>	<b>1,070,173</b>	<b>5,928,480</b>	<b>5,341,751</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,979,371</b>	<b>\$ 499,374</b>	<b>\$ 4,478,745</b>	<b>\$ 5,940,362</b>

See notes to financial statements.

Westside Food Bank  
Statement of Functional Expenses  
Year Ended June 30, 2023  
(with summarized comparative totals for 2022)

	Program Services			Supporting Services			2023 Total	2022 Total
	Food Assistance Services	Community Engagement Event	Total Program Services	Management and General	Fund Development	Total Supporting Services		
<b>Expenses</b>								
Salaries	\$ 608,326	\$	\$ 608,326	\$ 132,530	\$ 208,695	\$ 341,225	\$ 949,551	\$ 775,640
Payroll taxes	44,792		44,792	9,758	15,367	25,125	69,917	59,179
Employee benefits	135,105		135,105	29,434	46,349	75,783	210,888	151,555
<b>Total Personnel Related Expenses</b>	<b>788,223</b>		<b>788,223</b>	<b>171,722</b>	<b>270,411</b>	<b>442,133</b>	<b>1,230,356</b>	<b>986,374</b>
Advertising and promotional		6,682	6,682	11,611	4,105	15,716	22,398	20,289
Bank and processing fees				17,097	698	17,795	17,795	18,741
Depreciation and amortization	35,991		35,991	7,841	12,347	20,188	56,179	44,087
Dues and subscriptions				24,670	19,499	44,169	44,169	42,691
Food purchases	2,647,404		2,647,404				2,647,404	2,417,693
Insurance	7,238		7,238	1,577	2,483	4,060	11,298	7,599
Miscellaneous	123,269	1,251	124,520	26,856	42,290	69,146	193,666	93,835
Occupancy	488,096		488,096	45,404	34,053	79,457	567,553	432,646
Postage and mailing services		247	247	1,491	20,540	22,031	22,278	9,889
Printing and design services		1,511	1,511	6,688	64,346	71,034	72,545	19,749
Professional fees	13,326		13,326	31,806	4,571	36,377	49,703	64,673
Supplies	12,108	4,894	17,002	37,771	4,009	41,780	58,782	60,247
Telephone	6,787		6,787	1,478	2,328	3,806	10,593	12,021
Truck-related expenses	26,396		26,396				26,396	43,908
<b>Total Expenses Before In-Kind</b>	<b>4,148,838</b>	<b>14,585</b>	<b>4,163,423</b>	<b>386,012</b>	<b>481,680</b>	<b>867,692</b>	<b>5,031,115</b>	<b>4,274,442</b>
In-kind food distributions	2,963,736		2,963,736				2,963,736	2,026,547
<b>Total Expenses</b>	<b>\$ 7,112,574</b>	<b>\$ 14,585</b>	<b>\$ 7,127,159</b>	<b>\$ 386,012</b>	<b>\$ 481,680</b>	<b>\$ 867,692</b>	<b>\$ 7,994,851</b>	<b>\$ 6,300,989</b>
Percentage of total expenses								
Without in-kind	82.5%	0.3%	82.8%	7.7%	9.6%	17.2%	100.0%	
With in-kind	89.0%	0.2%	89.1%	4.8%	6.0%	10.9%	100.0%	

See notes to financial statements.

**Westside Food Bank**  
**Statement of Cash Flows**  
**Year Ended June 30, 2023**  
**(with comparative totals for 2022)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (1,449,735)	\$ 598,611
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	56,179	44,087
Investment (gain) loss	(144,816)	197,667
Noncash lease expenses	(1,088,976)	
(Increase) decrease in:		
Contributions and grants receivable	239,412	(219,475)
Prepaid expenses and other assets	(27,773)	(23,963)
Inventory	(259,686)	(337,042)
Deposits	(46,986)	(8,313)
Decrease in:		
Accounts payable and accrued expenses	85,470	46,178
Operating lease liability	1,089,710	
PPP advance		(130,974)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(1,547,201)</u>	<u>166,776</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(9,804)	(453,690)
Purchases of equipment	(24,243)	(144,952)
<b>Net Cash Used in Investing Activities</b>	<u>(34,047)</u>	<u>(598,642)</u>
<b>Net Decrease in Cash, Cash Equivalents, and Restricted Cash</b>	<u>(1,581,248)</u>	<u>(431,866)</u>
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Year</b>	<u>3,894,960</u>	<u>4,326,826</u>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	<u>\$ 2,313,712</u>	<u>\$ 3,894,960</u>
<b>Supplementary Disclosures</b>		
Cash paid for interest	<u>\$</u>	<u>\$</u>
Cash paid for taxes	<u>\$</u>	<u>\$</u>

See notes to financial statements.



**Westside Food Bank**  
**Notes to Financial Statements**  
**June 30, 2023**  
**(with comparative totals for 2022)**

**Note 1—Organization and Summary of Significant Accounting Policies**

Organization—Westside Food Bank (WSFB), founded in 1981, is an independent, non-governmental, non-profit organization incorporated under the laws of the State of California. WSFB’s mission is to end hunger in our communities by providing access to free nutritious food through food acquisition and distribution, and by engaging the community and advocating for a strong food assistance network. WSFB obtains food through donations and bulk food purchases at the best available wholesale prices. It is able to receive donated and purchased food by the truckload - a scale that surpasses the capacity of its smaller member agencies. By acting as a clearinghouse, WSFB enables partner organizations to maximize their limited resources and provide critical human services, including employment training, childcare, case management, referrals, and recovery programs, as well as parenting and money management classes to promote stability and economic independence for clients. In addition to engaging in large-scale food acquisition and supporting food distribution programs throughout West Los Angeles (West LA) County, WSFB works with the California Association of Food Banks to advocate for policies that support food security and to coordinate statewide food donations and hunger-relief efforts.

Donated food comes from federal and state government programs, a statewide Farm to Family program, corporate food suppliers, local food retailers, and community food drives. Purchased food, which accounts for nearly half of the food WSFB distributes, complements and enhances the nutritional value of donated food, ensuring a consistent supply of a wide variety of foods. During the year ended June 30, 2023, 67% of the food distributed was nutritious perishable food that included fresh produce, protein (meat/fish), and dairy products.

WSFB receives funds from caring individuals, religious congregations, foundations, local businesses, corporations, the cities of Santa Monica and Beverly Hills, the State of California, and the Federal Government.

WSFB distributes close to five million pounds of free, nutritious food annually through its partnerships with more than 60 food assistance programs located in Santa Monica, Venice, Culver City, West LA, Malibu, West Hollywood, Inglewood, and the Los Angeles International Airport (LAX) area. About 90% of food is distributed through food pantries that provide free groceries to residents throughout West LA County, including those located on college campuses and at the West LA VA, and weekend bag programs serving students at schools in the Culver City and Santa Monica Malibu Unified school districts. The remaining 10% is provided via hot meal, bagged lunch, and snack programs at senior centers, pre-school/after-school programs, domestic violence shelters, bridge housing facilities, transitional housing spaces, community kitchens, recovery centers, and group homes, and access centers for un-housed youth, adults, and veterans.

WSFB also operates several direct service mobile pantries that provide fresh groceries to low-income households in Culver City, West LA, Santa Monica and at the VA campus in West LA.

WSFB and its network of partner agencies provide a lifeline for low-income residents of Western LA County who struggle to meet their basic needs at a time when pandemic-era economic supports such as the additional child tax credit, supplemental employment and CalFresh benefits, stimulus payments, and tenant protections have ended and high inflation is increasing the cost of fuel, utilities, rent, and food. The level of food insecurity among LA County residents has reached 30% - nearly two times higher than at the height of the pandemic in 2021. In addition to providing much needed nutrients, food assistance serves to prevent homelessness as the roughly \$300 per month that pantry recipients save by getting free groceries often means the difference between paying rent or losing housing.

## Westside Food Bank

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of Significant Accounting Policies—Continued

WSFB held its community engagement event, the 32nd Annual 5K Hunger Walk, on October 16, 2022. This year marked a return to an in-person event after two years of Virtual Hunger Walks during the pandemic. There was no cost or fundraising requirement to participate in the event so as to provide equal access to everyone in the community. All participants received an event T-shirt and swag bag. Participants had the option to raise funds for WSFB's hunger-relief work via a complementary peer-to-peer website where they could invite others to walk with them or donate. Participants enjoyed activities including entertainment, awards, and games at the Family Fun Zone prior to walking a 5K route along the beachside walking path in Santa Monica. The event is designed to raise awareness about hunger and food insecurity, and provide local students, businesses, and others an opportunity to learn more about the issue and WSFB's work to address it.

In January 2024, subsequent to year-end, WSFB closed escrow on a 10,000 square foot warehouse located at 1914 14<sup>th</sup> Street, Santa Monica, California. The \$3M down payment was funded with a grant from the California Department of Social Services (CDSS) for food bank capacity building that had to be used by June 30, 2024; the remaining half of the \$6M purchase price was financed with an interest-only loan from CalPrivate Bank.

This building, the first WSFB has owned in its 40+ year history, will expand its capacity to accept donated fresh produce, frozen foods, and nonperishable staples that it previously had to turn away due to lack of space, in particular a lack of cooler and freezer space.

WSFB is committed to continuing to expand its capacity, scale its operations, and strengthen its long-term sustainability in order to meet the record high need for food assistance in its service area and surrounding communities for as long as its services are needed.

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. WSFB's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of WSFB and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of WSFB. These net assets may be used at the discretion of WSFB's management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of WSFB and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit WSFB to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to WSFB's ongoing food assistance services, and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

Income Taxes—WSFB is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). Accordingly, no provision for income taxes is included in the financial statements. In addition, WSFB has been determined by the Internal Revenue Service not to be a private foundation within the meaning of section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘more likely than not’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2023 and 2022. Generally, WSFB’s information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash, Cash Equivalents, and Restricted Cash—WSFB considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Unspent cash from contributions restricted to the purchase of equipment is reflected as restricted cash for investment in equipment on the statement of financial position. Its use is limited to purchases of food warehouse equipment.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the cash, cash equivalents, and restricted cash total shown in the statement of cash flows at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Cash Accounts Reported in Statements of Financial Position</b>		
Cash and cash equivalents	\$ 2,263,712	\$ 3,841,960
Cash restricted to investment in equipment	50,000	53,000
<b>Total Cash, Cash Equivalents, and Restricted Cash Reported in Statement of Cash Flows</b>	<b><u>\$ 2,313,712</u></b>	<b><u>\$ 3,894,960</u></b>

Restricted cash held for investment in equipment on the statement of financial position includes restricted cash with a donor-imposed restriction that limits the use of that cash to long-term purposes.

Investments—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment transactions are recorded on the trade date. Investment income and realized and unrealized gains and losses, net of investment management fees, are reported as increases or decreases in the appropriate net asset category.

Contributions—Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Equipment—Certain items of equipment have been donated to WSFB. To the extent a fair market value could be determined for these items as of the date of donation, the fair market value has been recorded for financial statement purposes. Items purchased have been recorded at cost. It is WSFB’s policy to expense individual items purchased or donated with values less than \$2,000. Equipment is depreciated on a straight-line basis over its estimated useful life, ranging from 3 to 5 years.

## Westside Food Bank

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of Significant Accounting Policies—Continued

Concentration of Credit Risk—Financial instruments which potentially subject WSFB to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables.

WSFB places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such cash balances may exceed FDIC insurance limits during the normal course of business.

Cash held in investment accounts at investment custodians is insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. At times, such balances may exceed SIPC insurance limits during the normal course of business.

While WSFB is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf, WSFB's management has assessed the credit risk associated with its cash deposits and investments at June 30, 2023 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments. However, due to the current risk and uncertainties affecting financial institutions (see Note 14), the potential related impact cannot be reasonably estimated at this time.

Contributions and grants receivable at June 30, 2023 are due from private foundations, government agencies, and individuals and organizations well-known to WSFB, with favorable past payment histories. Management of WSFB has assessed the credit risk associated with these contributions and grants receivable and has determined that an allowance for potential uncollectible amounts is not necessary.

#### Recently Adopted Accounting Principles

Leases—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02 (ASU 2016-02), *Leases (Topic 842)*. This standard is applicable to leases with terms exceeding 12 months and requires lessees to recognize the assets and related liabilities that arise from leases in the statement of financial position. Additionally, in July 2018, FASB issued ASU 2018-11 *Leases (Topic 842)—Targeted Improvements*, which, among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative effect adjustment to the opening balance of net assets without donor restrictions in the period of adoption. WSFB adopted ASU 2016-02 and its related amendments using a modified retrospective approach as of July 1, 2022, which resulted in the recognition of an operating right-of-use asset totaling \$1,478,780, and an operating lease liability totaling \$1,358,934. WSFB elected to adopt the transition relief provisions from ASU 2018-11 as of July 1, 2022, without restating any prior year amounts or disclosures.

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. WSFB adopted ASU No. 2020-07 on a retrospective basis for the year ended June 30, 2023, and has adjusted the presentation of the financial statements accordingly.

**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

Revenue Recognition—WSFB’s revenue recognition policies are as follows:

Government grants and contracts—Revenues from government grants and contracts are reported as increases in unrestricted net assets as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as contributions receivable. Amounts received in excess of amounts expended are recorded as deferred revenue.

Interest and dividend income—Interest and dividend income earned on investments is recognized when earned and is reported as interest and dividends under revenue and support in the statement of activities.

In-Kind Contributions—WSFB records the value of donated materials and services, which includes donated food, at their fair value at the date of donation. In-kind services are recorded only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated a significant number of hours devoted to WSFB’s program services, management and general, and fund development activities. However, these donated services are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under current accounting standards.

Advertising Expense—Advertising costs are expensed as incurred and amounted to \$22,398 and \$20,289 for the years ended June 30, 2023 and 2022, respectively.

Functional Expenses—The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses include occupancy which is allocated on a square footage basis, as well as salaries, payroll taxes, employee benefits, depreciation and amortization, insurance, miscellaneous, supplies, and telephone, which are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to program services, management and general, or fund development.

Comparative Totals for 2022—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information 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 WSFB’s audited financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Reclassifications—Certain amounts in 2022 have been reclassified to conform with the 2023 financial statement presentation.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 2—Availability and Liquidity**

The following represents the availability and liquidity of WSFB's financial assets at June 30, 2023 to cover operating expenses for the next fiscal year:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 2,263,712	\$ 3,841,960
Cash restricted to investment in equipment	50,000	53,000
Investments	1,154,291	999,671
Contributions and grants receivable	326,610	566,022
	<u>3,794,613</u>	<u>5,460,653</u>
<b>Total Financial Assets</b>	<b>3,794,613</b>	<b>5,460,653</b>
Less amounts not available to be used within one year:		
Net assets with donor restrictions		
Restricted due to purpose		
Purchases of equipment	(50,000)	(53,000)
Restricted due to timing	(346,124)	(566,105)
Less net assets with time restrictions to be met within one year	346,124	566,105
Board-designated reserve fund	(111,369)	(111,369)
	<u>(161,369)</u>	<u>(164,369)</u>
<b>Total Amounts Not Available to be Used Within One Year</b>	<b>(161,369)</b>	<b>(164,369)</b>
<b>Financial Assets Available to Meet General Expenditures Over the Next Twelve Months</b>	<b><u>\$ 3,633,244</u></b>	<b><u>\$ 5,296,284</u></b>

WSFB's goal is generally to maintain financial assets to meet 180 days of general operating expenses (approximately \$2.63 million). The board-designated reserve fund is intended by board of director policy to be used for specific purposes, projects or investments, and to provide funds to allow WSFB to operate effectively despite reduction or curtailment of portions of its funding in the future.

**Note 3—Investments and Fair Value Measurements**

In determining the fair value of assets and liabilities, WSFB utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. WSFB determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Observable market-based inputs, either directly or indirectly, but are other than quoted prices in actively traded markets. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs that can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity which are significant to the fair value of the asset or liability. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 3—Investments and Fair Value Measurements—Continued**

WSFB may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by WSFB to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. WSFB had no assets or liabilities classified at NAV as a practical expedient during the years ended June 30, 2023 and 2022.

Fair values of investments measured on a recurring basis at June 30, 2023 and 2022 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>June 30, 2023:</b>				
Equities	\$ 749,231	\$ 749,231	\$	\$
Mutual funds				
Large growth	405,060	405,060		
<b>Totals</b>	<b><u>\$ 1,154,291</u></b>	<b><u>\$ 1,154,291</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>June 30, 2022:</b>				
Equities	\$ 647,399	\$ 647,399	\$	\$
Mutual funds				
Large growth	352,272	352,272		
<b>Totals</b>	<b><u>\$ 999,671</u></b>	<b><u>\$ 999,671</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>

Return on investment for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Unrealized gains (losses)	\$ 144,816	\$ (197,667)
<b>Investment Return, Net</b>	<b>144,816</b>	<b>(197,667)</b>
Interest and dividend income	97,459	33,794
<b>Total Return on Investment</b>	<b><u>\$ 242,275</u></b>	<b><u>\$ (163,873)</u></b>

**Note 4—Contributions and Grants Receivable**

Contributions and grants receivable at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Without donor restrictions		
Government agencies	\$	\$ 50,000
With donor restrictions		
Foundations	212,825	49,250
Government agencies	70,750	450,000
Individuals and local organizations	43,035	16,772
<b>Totals</b>	<b><u>\$ 326,610</u></b>	<b><u>\$ 566,022</u></b>

**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 5—Inventory**

Inventory consists of food (canned, dry, frozen, fruits and vegetables) and is recorded at cost when purchased or at estimated fair market value when donated. Food donated to WSFB is capitalized as inventory and shown on the accompanying financial statements as contributions without donor restrictions. Upon distribution, the food inventory is recorded as a decrease to net assets without donor. Inventory amounted to \$596,728 and \$337,042 at June 30, 2023 and 2022, respectively.

**Note 6—Equipment, Net**

Net equipment at June 30, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Truck and warehouse equipment	\$ 387,656	\$ 403,357
Office equipment	14,598	14,598
<b>Total Equipment</b>	<u>402,254</u>	<u>417,955</u>
Less accumulated depreciation and amortization	(218,207)	(201,972)
<b>Net</b>	<u><u>\$ 184,047</u></u>	<u><u>\$ 215,983</u></u>

**Note 7—PPP Advance**

On July 1, 2020, WSFB received a Paycheck Protection Program (PPP) advance of \$130,974, granted by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the program terms, PPP advances are forgiven and recognized as grant revenue if the proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent, and utilities) incurred following receipt of the advance. On November 17, 2021, WSFB received official notice of forgiveness from the SBA for the full advance. As of June 30, 2022, WSFB recognized \$130,974 in grant revenue during the year ended June 30, 2022, based on qualifying expenditures incurred, with no outstanding balance at year-end. PPP grant revenue is reported in the statement of activities under other governmental agencies.

**Note 8—Commitments**

WSFB occupies office and warehouse space under a noncancellable 12-month operating lease agreement which expires on April 30, 2024. On March 11, 2024, subsequent to year-end, WSFB renewed this lease for an additional 12-month term, expiring on April 30, 2025. On July 1, 2021, WSFB entered into a one-year noncancellable operating lease agreement for additional warehouse space, which was amended to extend the lease term through November 5, 2022. This lease was not renewed as the property was demolished by the lessor. On January 3, 2023, WSFB entered into a noncancellable lease agreement for additional warehouse space through March 2025. With the adoption of ASU 2016-02, an operating lease right-of-use asset and an operating lease liability were recorded related to these operating leases using the lease term and monthly rental amounts, and a discount rate of 2.95%, amounting to \$1,884,616 at June 30, 2023. At June 30, 2023, the operating lease right-of-use asset and the related liability amounted to \$1,077,094 and \$1,089,710, respectively.



**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 8—Commitments—Continued**

Future minimum annual rental commitments by year for operating leases with maturities greater than one year from June 30, 2023, are as follows:

<u>Year Ending June 30,</u>		
2024	\$	687,452
2025		431,430
	<b>Gross Rental Payments</b>	<b>1,118,882</b>
Less effect of discounting		(29,172)
		<u><u><b>\$ 1,089,710</b></u></u>

Rent expense totaled \$464,433 and \$362,310 for the years ended June 30, 2023 and 2022, respectively.

**Note 9—Contingencies**

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board deems the contingency remote since, by accepting the gifts subject to their terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

**Note 10—Net Assets without Donor Restrictions**

Net assets without donor restrictions for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 3,868,002	\$ 4,758,820
Board-designated reserve	111,369	111,369
<b>Total Net Assets without Donor Restrictions</b>	<u><u><b>\$ 3,979,371</b></u></u>	<u><u><b>\$ 4,870,189</b></u></u>

The board-designated reserve consists of voluntary board-approved segregations of unrestricted net assets for specific purposes, projects or investments, and to provide funds to allow WSFB to operate effectively despite reductions or curtailment of portions of its funding in the future.

**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 11—Net Assets with Donor Restrictions**

Net assets with donor restrictions for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
For food assistance services		
Food purchases	\$ 95,000	\$
Federal Emergency Food and Shelter Program	8,250	450,000
California Association of Food Banks		1,068
Purchases of equipment	50,000	53,000
Promises to give, the proceeds from which have have been restricted by donors:		
For food assistance services		
City of Beverly Hills	62,500	50,000
Federal Emergency Food and Shelter Program		450,000
Due to timing		
Support for future periods	283,624	66,105
<b>Total Net Assets with Donor Restrictions</b>	<b><u>\$ 499,374</u></b>	<b><u>\$ 1,070,173</u></b>

Net assets released from donor restrictions for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions:		
Food purchases	\$ 722,531	\$ 524,376
Purchases of equipment	12,600	
Holiday support	10,000	
Federal Emergency Food and Shelter Program		244,300
Refrigerated truck purchase		100,000
Satisfaction of timing restrictions	761,855	102,247
<b>Total Net Assets Released from Donor Restrictions</b>	<b><u>\$ 1,506,986</u></b>	<b><u>\$ 970,923</u></b>

**Note 12—In-Kind Food Contributions**

In-kind contributions of food for the year ended June 30, 2023 consist of the following:

	<u>2023</u>	<u>2022</u>
Contributed food—non-governmental	\$ 2,920,036	\$ 1,918,177
Contributed food—governmental	149,339	323,305
<b>Total</b>	<b><u>\$ 3,069,375</u></b>	<b><u>\$ 2,241,482</u></b>

In-kind contributions of food were valued based on the average market price for comparable products, and were received without donor restrictions. Additionally, in-kind contributions of food were not monetized. Total food distribution, including food purchases, amounted to \$5,611,140 and \$4,444,240 for the years ended June 30, 2023 and 2022, respectively.

**Westside Food Bank**  
**Notes to Financial Statements—Continued**

**Note 13—Retirement Plan**

WSFB's 401(k) plan (the Plan) consists primarily of two components: (1) WSFB's matching 100% of employee contributions in an amount up to 4% of annual salary and (2) employee deferred payroll contributions to the Plan. Additionally, WSFB has the option to make additional non-elective contributions to the Plan in the form of profit-sharing. Employees are eligible to participate in the Plan effective immediately upon commencement of employment with no conditions of age or service required. Each participant may elect to contribute up to the maximum limit by federal law. Participants are vested immediately upon entering the Plan with 100% non-forfeitability of all employer matched contributions.

WSFB's matching contributions totaled \$34,888 and \$30,534, respectively, for the years ended June 30, 2023 and 2022. Expenses related to the Plan's administration totaled \$2,187 and \$2,212, respectively, for the years ended June 30, 2023 and 2022.

**Note 14—Risks and Uncertainties**

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As disclosed in Note 1, at times, WSFB maintains cash and cash equivalents and investment balances in excess of federally-insured limits. Given the uncertainty of the situation, the potential related financial impact cannot be reasonably estimated at this time.

**Note 15—Subsequent Events**

Management evaluated all activities of Westside Food Bank through May 6, 2024, which is the date the financial statements were available to be issued, and concluded that, other than the purchase of the warehouse discussed in Note 1, and the lease renewal discussed in Note 8, no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

Westside Food Bank  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grantor's Number</u>	<u>Grant Period</u>	<u>Expenditures</u>
<b><u>U.S. Department of Agriculture</u></b>				
<u>Food Distribution Cluster</u>				
Emergency Food Assistance Program Food Commodities Passed through: Los Angeles Regional Food Bank	10.569	N/A	7/1/20 - 6/30/21	\$ 134,611
<b>Total Food Distribution Cluster, Assistance Listing Nos. 10.565, 10.568, and 10.569</b>				<b>134,611</b>
Specialty Crop Block Grant Program— Farm Bill Distribution Costs Passed through: California Association of Food Banks	10.170	N/A	7/1/20 - 6/30/21	3,913
<b>Total Assistance Listing No. 10.170</b>				<b>3,913</b>
<b>Total Department of Agriculture</b>				<b>138,524</b>
<b><u>U.S. Department of Homeland Security</u></b>				
Emergency Food and Shelter National Board Program Direct award	97.024	PHASE ARPA-R	11/1/21 - 4/30/23	681,833
<b>Total Assistance Listing No. 97.024</b>				<b>681,833</b>
<b>Total Department of Homeland Security</b>				<b>681,833</b>
<b>Total Federal Awards</b>				<b>\$ 820,357</b>

See notes to schedule of expenditures of federal awards.

**Westside Food Bank**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Westside Food Bank under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations of Westside Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Westside Food Bank.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the schedule represent adjustments or credits made in the normal course of operations to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**Note C – Indirect Cost Rate**

Westside Food Bank has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Westside Food Bank  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2023**

There were no prior year audit findings.

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## **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  
**Westside Food Bank**  
Santa Monica, California

We have audited 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, the financial statements of Westside Food Bank (WSFB), 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 and have issued our report thereon dated May 6, 2024.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered WSFB's internal control over financial reporting 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 WSFB's internal control. Accordingly, we do not express an opinion on the effectiveness of WSFB'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 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 over financial reporting 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.

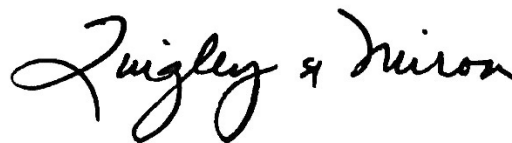
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether WSFB's financial statements are free of 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 WSFB's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WSFB's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Los Angeles, California  
May 6, 2024

A handwritten signature in black ink that reads "Ziegler & Miron". The signature is written in a cursive, flowing style.



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## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

Board of Directors  
**Westside Food Bank**  
Santa Monica, California

### **Report on Compliance for Each Major Federal Program**

#### *Opinion on Each Major Federal Program*

We have audited Westside Food Bank's (WSFB) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of WSFB's major federal programs for the year ended June 30, 2023. WSFB's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, WSFB complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal award programs for the year ended June 30, 2023.

#### *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 WSFB 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 WSFB'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 WSFB'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 WSFB'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 WSFB's compliance with the requirements of each major federal program as a whole.

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 WSFB'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 WSFB'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 WSFB'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.

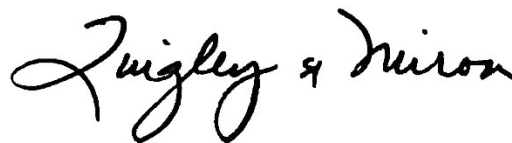
**Report on Internal Control over Compliance**

*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 a 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 *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.

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.

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.

A handwritten signature in black ink that reads "Ziegler & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California  
May 6, 2024

**Westside Food Bank**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2023**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Westside Food Bank were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No material weaknesses or significant deficiencies relating to internal control over financial reporting were identified during the audit.
3. No instances of noncompliance material to the financial statements of Westside Food Bank were disclosed during the audit.
4. No material weaknesses or significant deficiencies were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs of Westside Food Bank expresses an unmodified opinion.
6. There were no audit findings that required reporting in this schedule in accordance with Title 2 U.S. *Code of Federal Regulations* section 200.516(a) are reported in this schedule.
7. The program tested as a major program was the U.S. Department of Homeland Security Emergency Food and Shelter National Board Program, Assistance Listing No. 97.024.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Westside Food Bank was determined to not be a low-risk auditee.

**B. Findings—Financial Statement Audit**

None

**C. Findings and Questioned Costs—Major Federal Award Programs**

None

**Westside Food Bank  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2023**

There were no prior year audit findings.

**Westside Food Bank  
Corrective Action Plan  
Year Ended June 30, 2023**

As there were no audit findings or questioned costs for the year ended June 30, 2023, a corrective action plan is not required.