



**WESTSIDE COMMUNITY SERVICES, INC.**

**SINGLE AUDIT  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

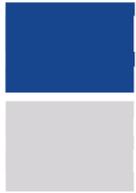
 **VASIN, HEYN & COMPANY**  
*ABOVE THE BRIGHT LINE*

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AN ACCOUNTANCY CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
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***INDEPENDENT AUDITORS' REPORT***

To the Board of Directors of  
Westside Community Services, Inc.  
(A California Non-Profit Corporation)  
San Francisco, California

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

***Opinion***

We have audited the accompanying Westside Community Services, Inc. (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westside Community Services, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Westside Community Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT - Continued

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## INDEPENDENT AUDITORS' REPORT - Continued

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

We previously audited Westside Community Services, Inc.'s 2024 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Westside Community Services, Inc.

### ***Supplementary Information***

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 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 our report dated March 2, 2026, on our consideration of Westside Community Services, Inc.'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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Westside Community Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Westside Community Services, Inc.'s internal control over financial reporting and compliance.

*Vorlein, Hryn + Co.*

Calabasas, California  
March 2, 2026

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ (234,422)	\$ 590,837
Marketable securities	602,088	1,377,996
Government agency receivables	4,604,714	2,841,926
Other receivables	74,148	96,732
Prepaid expenses	683,185	158,343
<b>Total current assets</b>	<b>5,729,713</b>	<b>5,065,834</b>
Long-term assets:		
Deposits and other assets	75,768	75,768
Property and equipment, net	639,531	635,071
Right-of-use lease assets	10,332,223	9,146,243
<b>Total long-term assets</b>	<b>11,047,522</b>	<b>9,857,082</b>
<b>TOTAL ASSETS</b>	<b>\$ 16,777,235</b>	<b>\$ 14,922,916</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 1,402,818	\$ 1,168,244
Accrued payroll and related liabilities	1,074,802	1,014,325
Contract advances	121,683	-
Note payable	-	307,590
<b>Total current liabilities</b>	<b>2,599,303</b>	<b>2,490,159</b>
Long-term liabilities:		
Lease liabilities	10,740,127	9,666,862
<b>Total long-term liabilities</b>	<b>10,740,127</b>	<b>9,666,862</b>
Net assets:		
Without donor restrictions	3,116,910	2,445,000
With donor restrictions	320,895	320,895
<b>Total net assets</b>	<b>3,437,805</b>	<b>2,765,895</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,777,235</b>	<b>\$ 14,922,916</b>

See accompanying auditors' reports and notes to financial statements.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>2025</b>			<b>2024</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>				
Government Grants	\$ 20,290,666	\$ -	\$ 20,290,666	\$ 18,622,745
Client fees	4,685	-	4,685	4,967
Contributions	99,935	-	99,935	166,710
In-kind contributions	104,746	-	104,746	97,917
Rental income	450,690	-	450,690	467,240
Investment income, net	24,092	-	24,092	25,392
Other income	1,025,800	-	1,025,800	211,810
	<u>22,000,614</u>	<u>-</u>	<u>22,000,614</u>	<u>19,596,781</u>
Total revenue and support				
<b>EXPENSES</b>				
Program expenses	21,149,698	-	21,149,698	19,005,819
Support services	87,735	-	87,735	44,745
Fundraising expenses	91,271	-	91,271	154,712
	<u>21,328,704</u>	<u>-</u>	<u>21,328,704</u>	<u>19,205,276</u>
Total expenses				
<b>CHANGE IN NET ASSETS</b>	671,910	-	671,910	391,505
<b>NET ASSETS - beginning of year</b>	<u>2,445,000</u>	<u>320,895</u>	<u>2,765,895</u>	<u>2,374,390</u>
<b>NET ASSETS - end of year</b>	<u>\$ 3,116,910</u>	<u>\$ 320,895</u>	<u>\$ 3,437,805</u>	<u>\$ 2,765,895</u>

See accompanying auditors' reports and notes to financial statements.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	Program Services				Support Services		2025 Total	2024 Total	
	Mental Health	HIV/AIDS Services	Substance Abuse	Housing Program	Total	Management & General			Development
<b>Salaries and related expenses</b>									
Salaries	\$ 7,699,755	\$ 378,380	\$ 1,082,875	\$ -	\$ 9,161,010	\$ 985,291	\$ 42,482	\$ 10,188,783	\$ 9,433,808
Statutory benefits	766,720	34,767	98,200	-	899,687	83,565	4,221	987,473	908,673
Fringe benefits	1,154,166	49,022	125,243	-	1,328,431	226,110	1,741	1,556,282	1,258,598
Total salaries and related expenses	9,620,641	462,169	1,306,318	-	11,389,128	1,294,966	48,444	12,732,538	11,601,079
<b>Expenses</b>									
Occupancy costs	4,392,803	48,266	77,661	116,837	4,635,567	(2,316)	-	4,633,251	4,086,534
Professional fees	64,442	-	21,200	-	85,642	212,199	-	297,841	237,250
Patient and client care	2,142,098	5,897	85,417	1,037	2,234,449	-	-	2,234,449	2,122,967
Purchased services	88,393	2,595	26,162	7,732	124,882	445,110	20	570,012	479,412
Depreciation	-	-	-	17,134	17,134	11,924	-	29,058	25,509
Inkind expenses	-	-	85,000	-	85,000	-	19,746	104,746	-
Insurance	185,117	8,956	17,351	7,444	218,868	22,040	248	241,156	202,546
Equipment leases and maintainance	29,452	1,750	13,249	-	44,451	20,719	-	65,170	66,756
Supplies	98,964	2,267	10,525	76	111,832	27,158	5	138,995	109,489
Interest	-	-	-	1,525	1,525	-	-	1,525	5,004
Other operating expenses	34,362	5,095	16,896	11,366	67,719	189,436	22,808	279,963	268,730
Total expenses before indirect	16,656,272	536,995	1,659,779	163,151	19,016,197	2,221,236	91,271	21,328,704	19,205,276
Allocation of indirect	1,826,612	80,022	226,867	-	2,133,501	(2,133,501)	-	-	-
<b>Total expenses</b>	<b>\$ 18,482,884</b>	<b>\$ 617,017</b>	<b>\$ 1,886,646</b>	<b>\$ 163,151</b>	<b>\$ 21,149,698</b>	<b>\$ 87,735</b>	<b>\$ 91,271</b>	<b>\$ 21,328,704</b>	<b>\$ 19,205,276</b>

See accompanying auditors' reports and notes to financial statements.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 671,910	\$ 391,505
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	29,058	25,509
Prior period adjustment	-	(115,010)
(Gain) loss on investments	(24,092)	(25,392)
Reduction in carrying amount of right of use assets	(1,185,980)	(1,500,352)
(Increase) Decrease in:		
Government agency receivables	(1,762,788)	259,050
Other receivables	22,584	37,318
Prepaid expenses	(524,842)	(48,431)
Increase (Decrease) in:		
Accounts payable	234,574	(190,414)
Accrued payroll and related liabilities	60,477	270,923
Contract advances	121,683	-
Lease liabilities	1,073,265	1,611,084
Total adjustments	(1,956,061)	324,285
Net Cash Provided (Used) by Operating Activities	(1,284,151)	715,790
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments, net	-	(800,000)
Proceeds from sale of investments	800,000	-
Payments related to construction in progress	(33,518)	(43,300)
Net Cash Provided (Used) by Investing Activities	766,482	(843,300)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal repayments related to Paycheck Protection Program Loan	(307,590)	(332,180)
Net Cash Provided (Used) by Financing Activities	(307,590)	(332,180)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(825,259)	(459,690)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	590,837	1,050,527
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ (234,422)	\$ 590,837
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest expense	\$ 1,525	\$ 5,004
<b>SUPPLEMENTAL NON-CASH INFORMATION:</b>		
In-kind contributions	\$ 104,746	\$ 97,917
Construction in progress reclassified to property and equipment	\$ -	\$ 15,801
Addition of right-of-use lease assets—operating	\$ 4,529,718	\$ -

See accompanying auditors' reports and notes to financial statements.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1. ORGANIZATION**

As one of the first community-based mental health organizations in the country, Westside Community Services, Inc., a California not-for-profit corporation, has been providing mental health and related services to adults, youth, and families since 1967. Westside Community Services, Inc. is dedicated to caring for the underserved population of San Francisco, including but not limited to, the poor, the indigent, the homeless, people of color, and others who have difficulty accessing health services. By providing a continuum of mental health, substance abuse prevention and treatment, AIDS related services, and transitional housing services, Westside Community Services, Inc. makes services available for low-income residents who have multiple and complex health needs. Westside Community Services, Inc. receives substantially all its funding from the City and County of San Francisco, with certain portions originating from the State of California and the federal government.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Westside Community Services, Inc. prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by Westside Community Services, Inc. are described below to enhance the usefulness and understandability of the financial statements.

*Classification of Current and Noncurrent Assets and Liabilities*

Westside Community Services, Inc. considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal Westside Community Services, Inc. business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

*Net Assets*

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Net assets without donor restrictions.* Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting for the nature of Westside Community Services, Inc., the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- *Net assets with donor restrictions.* Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a future period. Westside Community Services, Inc.'s unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by Westside Community Services, Inc., unless the donor provides more specific directions about the period of its use.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Net Assets (Continued)*

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

*Cash and Cash Equivalents*

Cash and cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

*Marketable Securities*

Marketable securities consist of money market accounts and are stated at fair value. Unrealized gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales of securities are calculated on an adjusted cost basis. Adjusted cost for this purpose is the fair value of the security at the beginning of the year, or the cost if purchased during the year. Dividend and interest income is recognized when earned.

	Total	Level 1
Money market accounts	<u>\$ 602,088</u>	<u>\$ 602,088</u>
Total marketable securities	<u>\$ 602,088</u>	<u>\$ 602,088</u>
		Amount
Investment income, net		<u>\$ 24,092</u>

*Government Agency and Other Receivables*

Government agency and other receivables consist of contracts, grants and other receivables and are stated at the amount management expects to collect from outstanding balances. Receivables are primarily unsecured amounts due on cost reimbursement or performance contracts. Any amount that is denied for reimbursement is written off when management receives notification from the grantor agency. Westside Community Services, Inc. uses the allowance method of accounting for receivables determined to be potentially uncollectable. There was no allowance for doubtful accounts balance at June 30, 2025.

*Prepaid Expenses and Deposits and Other Assets*

Deposits, prepaid expenses and other costs are expensed ratably over their respective terms of agreement.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Property and Equipment, Net*

Land, buildings, property, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All assets purchased over \$5,000 with useful life over one year will be capitalized and depreciated using straight-line method. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	30 years
Building improvements	10 years
Furniture and equipment	3 to 5 years
Leasehold improvements	8 to 10 years, or remaining lease term, if shorter
Vehicles	6 to 10 years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period. Fully depreciated assets are retained in the accounts at their estimated salvage value until their retirement.

*Contract Advances*

Contract advances consist of revenues collected but not earned as of June 30, 2025. This is primarily composed of revenue for program funds received in advance.

*Right-of-Use Lease Assets and Liabilities*

Westside Community Services, Inc. leases facilities and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in right-of-use ("ROU") asset and lease liabilities in the statement of financial position. The ROU asset represents the Westside Community Services, Inc.'s right to use the underlying asset for the lease term, and the lease liability represents Westside Community Services, Inc.'s obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Westside Community Services, Inc. uses the implicit rate when it is readily determinable. Since Westside Community Services, Inc.'s leases do not provide an implicit rate, to determine the present value of lease payments, management uses Westside Community Services, Inc.'s incremental borrowing rate based on the information available at lease commencement. ROU assets also include any lease payments made and exclude lease incentives. Westside Community Services, Inc.'s lease terms may include options to extend or terminate the lease when it is reasonably certain that Westside Community Services, Inc. will exercise the option.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Contributed Goods, Services and Donated Use of Facilities*

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Westside Community Services, Inc. received use of donated facilities during the year ended June 30, 2025 at a fair value of \$104,746.

*Accounting for Contributions*

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent donor restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

*Revenue Recognition*

Revenues from government agencies, service fees, and other third-party payors for services provided under such contracts are recognized when earned by Westside Community Services, Inc. All gifts, bequests, and other public support are included in unrestricted net assets unless specifically restricted by the donor or the terms of the gift or grant instrument. Revenue received where the restriction is met in the same fiscal year is reported under net assets without donor restrictions. Amounts received in excess of balances earned are recognized as liabilities.

*Government Revenue*

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit under the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, Westside Community Services, Inc.'s management believes that costs ultimately disallowed, if any, would not materially affect the financial position of Westside Community Services, Inc.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*Collective Bargaining Agreements*

Approximately 10% (18 employees) of Westside Community Services, Inc.'s employees are covered by a collective bargaining agreement that expires on June 30, 2027.

*Income Taxes*

Westside Community Services, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified Westside Community Services, Inc. as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Westside Community Services, Inc. follows Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2025, Westside Community Services, Inc. had no material unrecognized tax benefits, tax penalties or interest.

Westside Community Services, Inc.'s Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30; 2024, 2023, and 2022 are subject to examination by the IRS, generally for 3 years after they were filed.

Westside Community Services, Inc.'s Forms 199, *California Exempt Organization Return*, for each of the tax years ended June 30, 2024, 2023, 2022, and 2021, are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Expense Recognition and Allocation*

The cost of providing Westside Community Services, Inc.'s programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support of Westside Community Services, Inc.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Westside Community Services, Inc. generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred; total costs for the year ended June 30, 2025 were \$24,372.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, Westside Community Services, Inc.'s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Westside Community Services, Inc.'s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Interface's financial statements for the year ended June 30, 2024 from which the summarized information was derived.

*Reclassifications*

Certain amounts in the 2024 comparative totals have been reclassified to conform with the 2025 reporting format.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fair Value Measurements*

Westside Community Services, Inc. reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* – Quoted prices for identical assets or liabilities in active markets to which Westside Community Services, Inc. has access at the measurement date.
- *Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The money market accounts are valued at quoted market prices, which represent the net asset value of shares held by Westside Community Services, Inc. at year end.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, Westside Community Services, Inc. measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**3. GOVERNMENT AGENCY AND OTHER RECEIVABLES**

Government agency and other receivables at June 30, 2025 are comprised of the following:

<u>Contractor</u>	<u>Amount</u>
San Francisco Department of Public Health	\$ 1,767,795
San Francisco Adult Probation Department	1,753,939
Department of Homelessness and Supportive Housing	449,198
San Francisco Sheriff's Department	393,087
San Francisco Human Services Agency	160,984
Other receivables	74,148
Youth Community Developers, Inc.	44,143
San Francisco Mayor's Office of Housing and Community	35,568
Total	<u>\$ 4,678,862</u>

There was no allowance for doubtful accounts balance at June 30, 2025.

**4. PROPERTY AND EQUIPMENT, NET**

Property and equipment at June 30, 2025 consists of the following:

	<u>Amount</u>
Buildings	\$ 1,570,037
Furniture and equipment	215,231
Land	334,593
Leasehold improvements	2,032,594
Vehicles	84,581
	<u>4,237,036</u>
Less: accumulated depreciation	<u>(3,597,505)</u>
Property and equipment, net	<u>\$ 639,531</u>

Depreciation expense for the year ended June 30, 2025 was \$29,058.

**5. RETIREMENT PLAN**

Westside Community Services, Inc. has a Tax-Sheltered Annuity plan for its employees under IRC Section 403(b), which allows eligible employees to make voluntary contributions through payroll deductions. No employer matching contributions are made under the plan. Eligible employees include full-time, part-time, and introductory employees. Westside Community Services, Inc. also has an Additional Benefit Fund under IRC Section 403(b) to which employer contributions are made. The amount contributed to each employee's account is determined by length of employment. Eligible employees include full-time and part-time employees who have completed two years of service and who have worked at least 1,000 hours per year. Westside Community Services, Inc. contributed \$87,405 to the plan during the year ended June 30, 2025.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**6. RIGHT-OF-USE LEASE ASSETS AND LIABILITIES**

Westside Community Services, Inc. leases facilities and certain equipment. The leases have remaining lease terms up to 5 years. As of June 30, 2025, assets recorded under operating and finance leases were \$10,332,223, and accumulated amortization associated with operating leases was \$10,740,127. The components of lease expense are summarized below. The Agency implemented ASC 842 as of July 1, 2022; five years of data are presented.

At June 30, 2025, the weighted-average remaining lease term for operating leases is 2.7 years and the weighted-average discount rate is 3.51% respectively.

Future minimum lease payments under non-cancellable leases as of June 30, 2025 were as follows:

Year Ended June 30,	Amount
2026	\$ 4,595,632
2027	3,097,110
2028	1,572,569
2029	1,274,133
2030	<u>882,118</u>
Total undiscounted lease payments	11,421,562
Less present value discount	<u>(681,435)</u>
Lease liability balance	<u>\$ 10,740,127</u>

**7. RENTAL INCOME**

Westside Community Services, Inc. leased two residences to low-income and moderate-income tenants under month-to-month contracts. Westside Community Services, Inc. also leases a portion of the building to another organization for their operations. During the year ended June 30, 2025, rental income was \$450,690.

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Pursuant to a contribution received from the San Francisco Redevelopment Agency (the "Agency"). Westside Community Services, Inc. holds land and a building that is used to provide housing for low-income and moderate-income tenants. Should a breach of any covenant agreement, provision or warranty occur, the Agency may exercise several remedies including demanding repayment of the grant amount or repossession of the property. The grant restrictions will expire in 2048. The donor-restricted historical cost of the property of \$320,894, excluding improvements of \$81,242 financed by non-restricted donor resources, is reflected as a component of net assets with donor restrictions in the accompanying statement of financial position. Net assets with donor restrictions consisted of the following as of June 30, 2025:

	Balance at June 30, 2024	Income	Expenditures	Balance at June 30, 2025
Subject to expenditure from				
Housing program	<u>\$ 320,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,895</u>
Total net assets with donor restrictions	<u>\$ 320,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,895</u>

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**9. IN-KIND CONTRIBUTIONS**

Natural classifications of in-kind expenses for the year ended June 30, 2025 are as follows:

	<u>Amount</u>
Client essentials	\$ 19,746
Rental space	<u>85,000</u>
Total	<u>\$ 104,746</u>

The fair value of the contributed rental space was estimated on the basis of comparable prices in the real estate market of the metropolitan area in which the space is located.

Contributed supplies are valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the U.S.

*In-Kind Contributions Valuation Techniques & Inputs*

During fiscal year June 30, 2025 Westside Community Services, Inc. received donated services by volunteers for building a new fence and retaining wall. In addition, many individuals have donated significant amounts of their time in program and resource development efforts. No amounts have been reflected in the financial statements for these volunteer services since they did not meet the criteria for recognition.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Westside Community Services, Inc.

*Donor Restrictions*

There were no donor restrictions on any in-kind contributions received during the year ended June 30, 2025.

*Monetization of In-Kind Contributions*

Westside Community Services, Inc. does not sell donated in-kind contributions and only distributes goods or uses the services for program use.

The fair value of the contributed rental space was estimated on the basis of comparable prices in the real estate market of the metropolitan area in which the space is located.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**10. CONTINGENCIES**

*Grants*

Westside Community Services, Inc. has received federal and local government funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed by management that any required reimbursements will not be significant to the financial position of Westside Community Services, Inc.

*Legal Matters*

In the ordinary course of business Westside Community Services, Inc. may be subject to certain lawsuits and other potential legal actions. Westside Community Services, Inc.'s management represents that as of June 30, 2025, Westside Community Services, Inc. is not involved in any legal action or litigation.

*Professional Liability*

Professional liability insurance coverage is maintained under a policy which is renewable on an annual basis. It is management's belief that Westside Community Services, Inc. will be able to renew current levels of insurance coverage. It is Westside Community Services, Inc.'s policy to accrue for material loss contingencies in excess of insurance coverage relating to asserted and unasserted medical malpractice claims in the period they are determined to be probable and can be estimated. Management is not aware of any claims outstanding as of June 30, 2025 and believes that settlement of such claims that may arise will not have a material adverse effect upon the financial condition or results of operations of Westside Community Services, Inc. and there is no accrual as of June 30, 2025.

**11. LINE OF CREDIT**

On June 25, 2025 Westside Community Services, Inc. established an unsecured \$500,000 line of credit agreement with U.S. Bank with interest on the outstanding balance at an annual rate equal to the Reference Rate, which is the prevailing bank's rate at the time of the loan. The line of credit agreement contains certain covenants which were in compliance during the year ended June 30, 2025. There was no outstanding balance at June 30, 2025.

**12. CONCENTRATION RISK**

Westside Community Services, Inc. received approximately \$11,435,000 from one government agency and \$6,056,000 from a separate government agency, which amounts to approximately 56% and 30%, respectively, of fees from government contracts for the year ended June 30, 2025. Government agency receivables as of June 30, 2025 from the same government agencies totaled approximately \$1,754,000 and \$1,768,000 representing approximately 38% and 38%, respectively, of government agency receivables.

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. Westside Community Services, Inc. deposits its cash with high quality financial institutions, and management believes Westside Community Services, Inc. is not exposed to significant credit risk on those amounts.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**13. LIQUIDITY AND FUNDS AVAILABLE**

The total financial assets held by Westside Community Services, Inc. at June 30, 2025 and the amount of those financial assets that could be made available for general expenditure within one year of the date of the statement of financial position are summarized in the following table:

	Amount
Financial assets:	
Cash and cash equivalents	\$ (234,422)
Marketable securities	602,088
Government agency receivables	4,604,714
Other receivables	74,148
Total financial assets	5,046,528
Less donor-imposed restrictions:	(320,895)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,725,633

Westside Community Services, Inc.'s goal is generally to maintain financial assets to meet 120 days of operating expenses. As part of its liquidity plan, Westside Community Services, Inc. bills government-funded contracts in accordance with funding terms and conditions or receives periodic advances from funders, generally monthly. Amounts available for expenditure over the period of the next twelve months are dependent on governmental funder's payment cycles which vary from 30 to 90 days. Excess cash, if any, is invested in short-term investments, including a money market account.

**14. SUBSEQUENT EVENTS**

Westside Community Services, Inc. has evaluated events subsequent to June 30, 2025, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 2, 2026, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*  
AND THE UNIFORM GUIDANCE**



# VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

## INDEPENDENT AUDITORS' 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

To the Board of Directors of  
Westside Community Services, Inc.  
(A California Non-Profit Corporation)  
San Francisco, California

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 Westside Community Services, Inc. (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2025 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 March 2, 2026.

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

In planning and performing our audit of the financial statements, we considered Westside Community Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Westside Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Westside Community Services, Inc.'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 Westside Community Services, Inc. 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 financial statements. 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 Westside Community Services, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Westside Community Services, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Yorin, Hryn + Co.*

Calabasas, California  
March 2, 2026



# VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of  
Westside Community Services, Inc.  
(A California Non-Profit Corporation)  
San Francisco, California

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

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

We have audited Westside Community Services, Inc.'s (A California Non-Profit Corporation) 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 Westside Community Services, Inc.'s major federal programs for the year ended June 30, 2025. Westside Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Westside Community Services, Inc. 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 year ended June 30, 2025.

#### ***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; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Westside Community Services, Inc. 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 Westside Community Services, Inc.'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 Westside Community Services, Inc.'s federal programs.

### ***Auditors' 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 Westside Community Services, Inc.'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 generally accepted auditing standards, *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 Westside Community Services, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Westside Community Services, Inc.'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 Westside Community Services, Inc.'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 Westside Community Services, Inc.'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 Auditors' 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.

Vorwin, Hagen + Co.

Calabasas, California  
March 2, 2026

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(FEIN 94-1164909)**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Identification Number</u>	<u>Federal Expenditures Per Grant</u>	<u>Federal Expenditures Passed Through to Subrecipients</u>
<b>U.S. Department of Health and Human Services</b>				
Passed through the City and County of San Francisco				
Medical Assistance Program (Medicaid: Title XIX)	93.778	BPHM11000038	\$ 977,447	\$ -
Medical Assistance Program (Medicaid: Title XIX)	93.778	BPHM07000094	837,785	-
Medical Assistance Program (Medicaid: Title XIX)	93.778	1000034414	257,524	-
<b>Medical Assistance Program</b>	<b>93.778</b>		<u>2,072,756</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>\$ 2,072,756</u>	<u>\$ -</u>
<b>TOTAL FEDERAL AWARDS</b>			<u><b>\$ 2,072,756</b></u>	<u><b>\$ -</b></u>

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Westside Community Services, Inc. under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of Westside Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Westside Community Services, Inc.

**2. 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 Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**3. DE MINIMIS INDIRECT COST RATE**

Westside Community Services, Inc. did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2025.

**4. LOAN AND LOAN GUARANTEE**

Westside Community Services, Inc. did not have any balances of loan and loan guarantee programs outstanding at June 30, 2025 for loans described in 2 CFR section 200.50(b).

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

• Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

*Federal Awards*

Internal control over major federal programs:

• Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

• Significant deficiency(ies) identified?

\_\_\_\_\_ Yes        X   None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes        X   No

Identification of major federal programs:

Assistance Listing Number(s)  
93.778

Name of Federal Program or Cluster  
Medical Assistance Program

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

  X   Yes      \_\_\_\_\_ No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.

**WESTSIDE COMMUNITY SERVICES, INC.**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**CURRENT YEAR FINDINGS:**

**2025 Findings:**

There were no 2025 findings noted.

**2025 Questioned Costs:**

There were no 2025 questioned costs noted.

**PRIOR YEARS FINDINGS:**

**2024 Findings:**

There were no 2024 findings noted.

**2024 Questioned Costs:**

There were no 2024 questioned costs noted.

**2023 Findings:**

There were no 2023 findings noted.

**2023 Questioned Costs:**

There were no 2023 questioned costs noted.