



22007070

OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12

**ANNUAL REPORTS**  
**FORM X-170-5 Mail Processing**  
**PART III**

SEC FILE NUMBER
8-53458

SEP 29 2022

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 07/01/2021 AND ENDING 06/30/2022  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: Western Growers Financial Services Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

15525 Sand Canyon

(No. and Street)

Irvine

CA

92618

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Silvia Aviles

949-885-2395

saviles@wga.com

(Name)

(Area Code - Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Moss Adams LLP

(Name - if individual, state last, first, and middle name)

14555 Dallas Pkwy, Ste 300 Dallas

TX

75254

(Address)

(City)

(State)

(Zip Code)

10/16/2003

659

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

**FOR OFFICIAL USE ONLY**

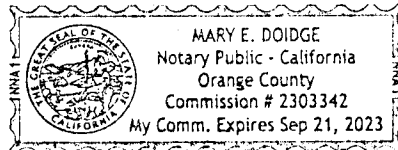
\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

RMS

OATH OR AFFIRMATION

I, Lorna L Duquette, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Western Growers Financial Services Inc., as of 6/30, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Signature: Lorna L Duquette  
Title: Chief Compliance Officer

Mary E. Doidge  
Notary Public

This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated statement of financial condition.
- (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- (d) Statement of cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**Western Growers Financial Services, Inc.**  
**Report Pursuant to Rule 17a-5 (d) Financial Statements**  
**For the Year Ended June 30, 2022**

**Western Growers Financial Services, Inc.**

**Statement of Financial Condition  
June 30, 2022**

**Assets**

Cash and cash equivalents	\$	529,828
Commissions receivable		138,874
Deposit with clearing broker		104,643
Investments, at fair market value		263,835
Office equipment, net		2,596
Due from affiliates		24,004
Prepaid expenses		9,888
<b>Total assets</b>	<b>\$</b>	<b><u>1,073,668</u></b>

**Liabilities and Stockholder's Equity**

**Liabilities**

Accounts payable and accrued expenses	\$	1,944
Employee compensation and benefits payable		105,273
Deferred tax liability		13,565
Due to related parties		59,346
<b>Total liabilities</b>		<b><u>180,128</u></b>

Commitments and contingencies (Note 11)

**Stockholder's equity**

Common stock, no par value, 1,000 shares authorized, issued and outstanding		10,000
Additional paid-in capital		75,000
Retained earnings		808,540
<b>Total stockholder's equity</b>		<b><u>893,540</u></b>
<b>Total liabilities and stockholder's equity</b>	<b>\$</b>	<b><u>1,073,668</u></b>

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

**Western Growers Financial Services, Inc.**

**Statement of Income  
For the Year Ended June 30, 2022**

**Revenues**

Commissions	\$ 227,367
Management fees	1,214,819
Distribution fees	8,404
Interest income	6,339
Net investment (loss)	(37,610)
<b>Total revenues</b>	<u>1,419,319</u>

**Expenses**

Employee compensation and benefits	709,645
Commission and floor brokerage	79,168
Occupancy	43,785
Taxes, licenses and fees	28,711
Other operating expenses	353,666
<b>Total expenses</b>	<u>1,214,975</u>

**Income (loss) before income tax** 204,344

**Income tax provision** 61,303

**Net income** \$ 143,041

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

**Western Growers Financial Services, Inc.**

**Statement of Changes in Stockholder's Equity  
For the Year Ended June 30, 2022**

	<b>Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at June 30, 2021	\$ 10,000	\$ 75,000	\$ 915,499	\$ 1,000,499
Capital distributions			(250,000)	(250,000)
Net income			143,041	143,041
Balance at June 30, 2022	<u>\$ 10,000</u>	<u>\$ 75,000</u>	<u>\$ 808,540</u>	<u>\$ 893,540</u>

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

**Western Growers Financial Services, Inc.**

**Statement of Cash Flows  
For the Year Ended June 30, 2022**

<b>Cash flows from operating activities:</b>	
Net income	\$ 143,041
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>	
Depreciation expense	2,596
Net unrealized gain on investments	37,610
(Increase) decrease in assets:	
Deposit with clearing broker	(23)
Accounts receivable	11,250
Commissions receivable	56,705
Due from related parties	(606)
Prepaid expenses	12,311
Deferred tax assets	16,656
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(2,238)
Employee compensation and benefits payable	(13,342)
Due to related parties	(81,371)
<b>Net cash and cash equivalents provided by (used in) operating activities</b>	<u>182,591</u>
<b>Cash flows from financing activities:</b>	
Capital distributions	<u>(250,000)</u>
<b>Net cash and cash equivalents provided by (used in) financing activities</b>	<u>(250,000)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(67,409)
<b>Cash and cash equivalents at beginning of year</b>	<u>597,237</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 529,828</u></u>
<b>Supplemental disclosure of cash flow information:</b>	
Cash paid for interest	<u>\$ -</u>
Cash paid for income taxes	<u>\$ 61,150</u>

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

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization and Nature of Business*

Western Growers Financial Services, Inc. (the “Company”) was incorporated on June 21, 2000, in the State of California, as the wholly owned subsidiary of Western Growers Service Corp. (the “Parent”). Western Growers Service Corp. is in turn a wholly owned subsidiary of Western Growers Association (“WGA”). The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority (“FINRA”), the Municipal Securities Rulemaking Board (“MSRB”) and the Securities Investors Protection Corporation (“SIPC”).

The Company is engaged in business as a broker-dealer and state-registered investment adviser that provides several classes of services, including institutional and retail brokerage selling stocks, bonds, mutual funds and providing advisory services. Currently, the Company primarily provides services to agricultural organizations which are affiliated with WGA.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. The Company’s other business activities are “non-covered” activities under Footnote 74. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

*Basis of Presentation*

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Statement of Cash Flows*

For purposes relating to the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

***Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

*(Continued)*

*Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Contract Balances*

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, *Accounting for Financial Instruments – Credit Losses (Topic 326)*, which requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard requires an entity to estimate its lifetime expected credit loss and record an allowance, that when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. This forward-looking expected loss model generally will result in the earlier recognition of allowances for losses. The Company adopted this ASU effective July 1, 2020, with no material impact on its financial statements.

The Company’s timing of revenue recognition may differ from the timing of customer payments. When there is an unconditional right to payment, according to the terms of the contract, the Company records a receivable. For receivables with unsatisfied performance obligations, the Company records deferred revenue until the performance obligations are satisfied. The Company had receivables related to contracts with customers of \$48,256 and \$104,701 as of June 30, 2022 and 2021, respectively. The Company did not have deferred revenue as of June 30, 2022 and 2021.

The Company takes into consideration the composition of the receivables, current economic conditions, and historical loss experience when determining an estimate of probable credit losses and the adequacy of the allowance for credit losses. Any receivables deemed uncollectible are written off against the allowance.

Commissions receivable are due from broker-dealers and clearing organizations and are generally collected in full in the month following their accrual. As such, management has not recorded an allowance for credit losses on these receivables.

*Investments*

The Company follows the guidance in FASB Accounting Standards Codification (“ASC”) 320, *Investments - Debt and Equity Securities*. As such, marketable securities held by the Company are classified as trading securities and stated at their fair market value based on quoted market prices. Realized gains or losses from the sale of marketable securities are

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

***Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

*(Continued)*

computed based on specific identification of historical cost. Unrealized gains or losses on marketable securities are computed based on specific identification of recorded cost, with the change in fair value during the period included in income.

*Office Equipment*

Office equipment is stated at cost less accumulated depreciation. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. Depreciation is provided on a straight-line basis using estimated useful lives of five to seven years. Office equipment is evaluated for impairment annually. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

*Income Taxes*

The Company accounts for its income taxes in accordance with FASB ASC 740 *Income Taxes*. This standard requires the establishment of a deferred tax asset or liability to recognize the future tax effects of transactions that have not been recognized for tax purposes, including taxable and deductible temporary differences, as well as net operating loss and tax credit carryforwards. Deferred tax expenses or benefits are recognized as a result of the changes in the assets and liabilities during the year.

The operations of the Company are included in the consolidated federal income tax return filed by the Parent. Federal and state income taxes are calculated based on the Company's estimated share of the consolidated group's tax liability.

Measurement of current and deferred tax assets and liabilities is based on provisions of enacted federal and state tax law. The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by tax authorities. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Management has analyzed the Company's position taken on federal income tax returns for all open tax years and has concluded that no adjustments are required in the Company's financial statements.

**Note 2: RECEIVABLES FROM CLEARING ORGANIZATIONS**

Pursuant to the clearing agreements, the Company introduces all of its securities transactions to clearing brokers on a fully disclosed basis. Customers' money balances and security positions are carried on the books of the clearing brokers. In accordance with the clearance agreement, the Company has agreed to indemnify the clearing brokers for losses, if any, which the clearing brokers may sustain from carrying securities transactions

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing brokers monitor collateral on the customers' accounts.

**Note 3: DEPOSIT WITH CLEARING ORGANIZATION**

The Company has a brokerage agreement with Pershing, LLC ("Clearing Broker") to carry its account and the accounts of its clients as customers of the Clearing Broker. The Clearing Broker has custody of the Company's cash balances which serve as collateral for any amounts due to the Clearing Broker as well as collateral for securities sold short or securities purchased on margin. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balance on June 30, 2022, was \$104,643.

**Note 4: INVESTMENTS, AT FAIR MARKET VALUE**

Investments, at fair market value consist of money market funds, mutual funds, and corporate stocks. As discussed in Note 1, marketable securities held by the Company are classified as trading securities and stated at their fair market value based on quoted market prices. On June 30, 2022, these securities are carried at their fair market value of \$263,835. The accounting for the mark-to-market on proprietary account is included in the Statement of Income as net investment loss of (\$37,610).

**Note 5: OFFICE EQUIPMENT, NET**

Office equipment is recorded net of accumulated depreciation and summarized by major classification as follows:

		Useful Life
Furniture and fixtures	\$ 19,570	5-7
Computer equipment	<u>2,066</u>	5-7
Total cost of office equipment	21,636	
Less: accumulated depreciation	<u>(19,040)</u>	
Office equipment, net	<u>\$ 2,596</u>	

Depreciation expense for the year ended June 30, 2022 was \$2,596.

**Note 6: INCOME TAXES**

As discussed in Note 1, the Company is a wholly owned subsidiary and is included in the consolidated income tax returns filed by its Parent. A portion of the consolidated income tax liability is allocated to the Company as if the Company had filed separate income tax returns.

The provision for income tax expense (benefit) is composed of the following:

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 6: INCOME TAXES**

(Continued)

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal	\$ 42,912	\$ -	\$ 42,912
State	18,391	-	18,391
Total income tax expense (benefit)	<u>\$ 61,303</u>	<u>\$ -</u>	<u>\$ 61,303</u>

The Company is required to file income tax returns in both federal and state jurisdictions. The Company's tax returns are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction. For federal purposes, the statute of limitations is three years. Accordingly, the Company is no longer subject to examination of federal returns filed more than three years prior to the date of these financial statements. The statute of limitations for state purposes is generally three years, but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination. As of June 30, 2022, the IRS has not proposed any adjustment to the Company's tax position.

**Note 7: FAIR VALUE MEASUREMENT**

The Company follows the guidance in FASB ASC 820 *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Quoted prices in an active market for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model derived prices whose inputs are observable or whose significant value drivers are observable;

Level 3 - Assets and liabilities whose significant value drivers are unobservable.

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 7: FAIR VALUE MEASUREMENT**

*(Continued)*

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2022:

Assets	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investment, at fair market value	\$ 263,835	\$ 263,835	\$ -	\$ -
<b>Total</b>	<b>\$ 263,835</b>	<b>\$ 263,835</b>	<b>\$ -</b>	<b>\$ -</b>

**Note 8: RELATED PARTY TRANSACTIONS**

The Company shares office space with its Parent, WGA, and several other affiliated companies to WGA. The Company pays its own compliance expenses related to its brokerage business and has a written agreement with WGA and its subsidiaries, whereby the Company reimburses WGA and its subsidiaries for the Company's portion of some of its operating expenses, including staff and various operation costs. In management's opinion, such amounts approximate those charges that would have been incurred if contracted with unrelated parties.

All receivables and payables to related parties are non-interest bearing and due on demand.

The Company has signed a licensing agreement with WGA, whereby the Company will pay a royalty fee to WGA for, among other things, the goodwill derived from the use of the Western Growers name. The amount of the royalty fee was \$41,137 for the year ended June 30, 2022. It is included in the Other Operating Expenses in the Statement of Income.

A summary of administrative fees from WGA and its affiliates for the year ended June 30, 2022, is as follows:

	Legal retainer	Legislative monitoring	Royalty	Payroll expense allocations	Non-payroll expense Allocations	IT support	Total
Western Growers Association	\$ 12,000	\$ 12,000	\$ 41,137				\$ 65,137
Western Growers Service Corp				\$ 128,496	\$ 79,260	\$ 9,144	216,900
	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 41,137</b>	<b>\$ 128,496</b>	<b>\$ 79,260</b>	<b>\$ 9,144</b>	<b>\$ 282,037</b>

The Company manages investments for several WGA affiliates. During the year ended June 30, 2022, the Company was compensated \$844,007 for these services and this amount is included in the Management fee income in the Statement of Income.

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 9: DEFINED CONTRIBUTION PENSION PLAN**

The Company participates with various affiliates in a defined contribution pension plan that covers all employees who have completed one year of service. The Company contributed for each participant an amount equal to 7% of the participant's annual Compensation, 4% of which was profit sharing and 3% of which was in accordance with safe harbor provisions. The Company also provides a 401(k) plan that allows eligible employees to contribute a percentage of their compensation, subject to Internal Revenue Service limitations, of which the Company will match up to 3% of the employee's compensation. For the year ended June 30, 2022, the Company contributed \$45,292 into these plans.

**Note 10: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company maintains several bank accounts at financial institutions. These accounts are insured by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000. At times during the year ended June 30, 2022, cash balances held in financial institutions were in excess of the FDIC insured limits. The Company has not experienced any losses in such accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

**Note 11: COMMITMENTS AND CONTINGENCIES**

FASB ASC 460 *Guarantees* requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability, or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others. The Company has issued no guarantees on June 30, 2022, or during the year then ended.

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 12: REVENUE RECOGNITION**

The Company follows the guidance in FASB ASC 606, *Revenue from Contracts with Customers*. Revenues are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Revenues are analyzed to determine whether the Company is the principal (i.e., reports revenues on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the product or service before control is transferred to a customer.

*Commissions*

Commissions are generally recognized at a point in time upon delivery of contracted services based on a predefined contractual amount on a trade date or trade execution services based on providing market prices and internal and regulatory guidelines.

Commissions consist of the sale of equity and fixed income securities and unit investment trusts. The Company had commissions receivable of \$138,874 at June 30, 2022.

*Management Fees*

The Company provides investment management services on a daily basis. The Company believes the performance obligation for providing management services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fee arrangements are based on a percentage applied to the customer's assets under management or a flat fee based on its contractual agreement with the customer. Fees are received either monthly or quarterly and are recognized as revenue at that time as they relate specifically to the services provided in that period, which are distinct from the services provided in other periods.

*Distribution Fees*

The Company earns revenue for selling affiliated and unaffiliated mutual funds, fixed variable annuities and insurance products. The performance obligation is satisfied at the time of each individual sale. A portion of the revenue is based on a fixed rate applied, as a percentage, to amounts invested at the time of sale. The remaining revenue is recognized over the time the client owns the investment or holds the contract and is generally earned based on a fixed rate applied, as a percentage to the net asset value of the fund, or the value of the insurance policy or annuity contract. The ongoing revenue is not recognized at the time of sale because it is variably constrained due to factors outside the Company's control, including market volatility and client behavior (such as how long clients hold their investment, insurance policy or annuity contract). The revenue will not be recognized until it is probable that a significant reversal will not occur.

**Western Growers Financial Services, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 13: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn, or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on June 30, 2022, the Company had net capital of \$713,946, which was \$702,840 in excess of its required net capital of \$11,105; and the Company's ratio of aggregate indebtedness (\$166,563) to net capital was 0.23 to 1, which is less than the 15 to 1 maximum allowed.

**Western Growers Financial Services, Inc.**  
**Schedule I – Net Capital Calculation pursuant to Rule 15c3-1**  
**June 30, 2022**

**Schedule I**

**Computation of net capital**

Common stock	\$ 10,000	
Additional paid-in capital	75,000	
Retained earnings	808,540	
<b>Total stockholder's equity</b>	<u>808,540</u>	<b>\$ 893,540</b>

Less: Non-allowable assets

Office equipment, net	(2,596)	
Commissions and related party receivable - Non-allowable portion	(132,055)	
Prepaid expense	<u>(9,889)</u>	
<b>Total non-allowable assets</b>		<u>(144,540)</u>
<b>Net capital before haircuts</b>		<b>749,000</b>

Less: Haircuts on securities

Haircut on marketable securities	(15,865)	
Haircut on mutual funds	(15,807)	
Haircut on money markets	<u>(3,382)</u>	
<b>Total haircuts on securities</b>		<u>(35,054)</u>
<b>Net Capital</b>		<b>\$ 713,946</b>

**Computation of net capital requirements**

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 11,105	
Minimum dollar net capital required	<u>\$ 5,000</u>	
Net capital required (greater of above)		<u>(11,105)</u>
<b>Excess net capital</b>		<b><u>\$ 702,841</u></b>

Ratio of aggregate indebtedness to net capital	<u>0.23:1</u>
--	---------------

There are no material differences between this computation of net capital and the corresponding computation prepared by the Company and included in the unaudited Form X-17A-5 Part II FOCUS Report filing as of the same date.

**Western Growers Financial Services, Inc.**  
**Schedule II – Computation of Reserve Requirements pursuant to Rule 15c3-3**  
**June 30, 2022**

**Schedule II**

A computation of reserve requirements is not applicable to Western Growers Financial Services, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).



MOSSADAMS

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder  
Western Growers Financial Services, Inc.

We have reviewed management's statements, included in the accompanying Western Growers Financial Services, Inc.'s Exemption Report (the exemption report), in which:

- 1) Western Growers Financial Services, Inc. (the Company) states the Company claims an exemption under paragraph (k)(2)(ii) of 17 C.F.R. §240.15c3-3 (the exemption provisions);
- 2) The Company states the Company met the identified exemption provisions throughout the most recent fiscal year without exception; and
- 3) The Company states the Company is also filing the exemption report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 (Footnote 74) because, throughout the most recent fiscal year, without exception:
  - The Company limits its other business activities contemplated by Footnote 74 to (1) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; and
  - The Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

The Company's management is responsible for compliance with the exemption provisions and the provisions of Footnote 74 and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions and the provisions of Footnote 74. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the exemption provisions set forth in paragraph (k)(2)(ii) of 17 C.F.R. §240.15c3-3 and the provisions of Footnote 74 of SEC Release No. 34-70073.

*Moss Adams LLP*

Dallas, Texas  
August 26, 2022

**Western Growers Financial Services, Inc.**  
**Schedule III – Information Relating to Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**As of June 30, 2022**

**Schedule III**

Information relating to possession or control requirements is not applicable to Western Growers Financial Services, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).



### Western Growers Financial Services Inc.'s Exemption Report

Western Growers Financial Services, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-S(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k): (2)(ii).
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3 (k) throughout the most recent fiscal year without exception.
- (3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to: (1) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

\_\_\_\_\_  
Western Growers Financial Services, Inc.

I, Silvia A. Aviles, swear (or affirm) that, to my best knowledge and belief, this exemption report is true and correct.

By:   
\_\_\_\_\_

Title: Financial Operations Principal  
August 19, 2022



## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholder  
Western Growers Financial Services, Inc.

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended June 30, 2022. Management of Western Growers Financial Services, Inc. is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Western Growers Financial Services, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Western Growers Financial Services, Inc. and SIPC in evaluating Western Growers Financial Services, Inc.'s compliance with the applicable instructions on Form SIPC-7 for the year ended June 30, 2022. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the appropriateness of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences.
2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended June 30, 2022, with the Total Revenue amounts reported in Form SIPC-7 for the year ended June 30, 2022, noting the following difference: total revenue on Form SIPC-7 is understated by \$10,774.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences.
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments in procedure 3 above, noting no differences.
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were engaged by Western Growers Financial Services, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with the standards of the Public Company Accounting Oversight Board (United States). An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Western Growers Financial Services, Inc.'s Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Western Growers Financial Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Western Growers Financial Services, Inc. and SIPC and is not intended to be, and should not be, used by anyone other than these specified parties.

*Y* Moss Adams LLP

Dallas, Texas  
August 26, 2022

**Appendix A – Schedule of Uncorrected Misstatements**

DR (CR)	Account description	Asset	(Liability)	Opening Equity	Current year income effect				
					Rollover approach	Iron curtain method			
					Revenue / expense				
1	Deferred tax liability passed adjustment	-	10,294		-	(10,294)			
2	Prior year tax passed adjustment	-	-	(37,000)	-	-			
Unadjusted differences					\$ -	\$ 10,294	\$ (37,000)	\$ -	\$ (10,294)

**Western Growers Financial Services, Inc.**  
**Schedule of Securities Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year Ended June 30, 2022**

	<u>Amount</u>
Total assessment	\$ 2,037
SIPC-6 general assessment	
Interest assessment	\$ 207
Interest payment made on April 22, 2022	\$ (207)
Payment made on April 22, 2022	\$ (1,033)
SIPC-7 general assessment	
Interest overpayment deducted on payment made August 3, 2022	\$ (188)
Payment made on August 3, 2022	<u>\$ (816)</u>
Total assessment balance	\$ -
(overpayment carried forward)	<u>\$ -</u>

•

x



MOSSADAMS

## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholder  
Western Growers Financial Services, Inc.

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of financial condition of Western Growers Financial Services, Inc. (the Company) as of June 30, 2022, the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### ***Opinion on the Supplemental Information***

The supplemental information in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The information in Schedules I, II, and III is the responsibility of the Company's management. Our audit procedures include determining whether the information in Schedules I, II, and III reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in Schedules I, II, and III. In forming our opinion on the information in Schedules I, II, and III, we evaluated whether the information in Schedules I, II, and III, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the information in Schedules I, II, and III is fairly stated in all material respects in relation to the financial statements as a whole.

*Moss Adams LLP*

Dallas, Texas  
August 26, 2022

We have served as the Company's auditor since 2018.

×  
+   -  
%

Communications with  
the Board of Directors and  
Communication of Internal  
Control Related Matters of

**WESTERN GROWERS  
FINANCIAL SERVICES, INC.**

June 30, 2022



## **COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

To the Board of Directors  
Western Growers Financial Services, Inc.

We have audited the financial statements of Western Growers Financial Services, Inc. (the Company) as of and for the year ended June 30, 2022, and have issued our report thereon dated August 26, 2022. Additionally, we have reviewed the Company's Exemption Report and have issued our report dated August 26, 2022. The Public Company Accounting Oversight Board (PCAOB) standards require that we provide you with the following information related to our audit.

### **OUR RESPONSIBILITY UNDER STANDARDS SET BY THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)**

As stated in our engagement letter dated May 2, 2022, our responsibility, as described by PCAOB standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.

It is also our responsibility, as stated within the signed engagement letter and professional services agreement dated May 2, 2022, to review management's statements included in the Company's Exemption Report prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). The statements include the identification of the provisions under which the Company claimed an exemption from SEC Rule 15c3-3; that the Company met the identified exemption provisions throughout the year without exception; the identification, if applicable, of any exceptions in meeting the identified exemption provision; and that they are filing the Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 (Footnote 74) for specific business activities because, throughout the most recent fiscal year, without exception, they met the provisions of Footnote 74.

Our responsibility is to plan and perform the audit and review in accordance with standards of the PCAOB, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we considered the Company's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit and review that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

## **PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter dated May 2, 2022, and our planning letter dated May 2, 2022.

## **SIGNIFICANT AUDIT FINDINGS AND ISSUES**

### **Significant Accounting Policies and Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2022. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

### **Critical Accounting Policies and Practices**

A company's accounting policies and practices that are (a) most important to the portrayal of the Company's financial condition and results, and (b) require management's most difficult, subjective or complex judgments, are considered critical accounting policies and practices. Often, a matter is critical as it arises as a result of the need to make estimates about the effects of matters that are inherently uncertain. We believe the following policies and practices are deemed critical:

- The Company's revenue recognition policies
- The Company's compliance with regulatory requirements
- The Company's transactions with related parties

The Company's financial statement disclosures sufficiently describe revenue recognition and related party transactions. We suggested no modifications to these disclosures.

### **Critical Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We reviewed management's assumptions and obtained corroborating evidence to support management's estimates. We identified no critical accounting estimates.

## **Significant Unusual Transactions**

Significant unusual transactions are transactions that are outside the normal course of business for the Company or that otherwise appear to be unusual due to their timing, size, or nature. Often times, these transactions will require significant estimates by management that greatly impact the financial statements. We noted no significant unusual transactions during our audit of the financial statements.

## **REQUIRED COMMUNICATIONS**

### **Qualitative Aspects of Accounting Practices**

We are required to evaluate the qualitative aspects of the Company's accounting practices, including potential bias in management's judgments. Forms of bias may include (1) selective correction of misstatements or identification of additional adjusting entries; (2) bias in the selection and application of accounting principles; and (3) bias in accounting estimates. We completed our evaluation of the qualitative aspects of significant accounting policies and practices, and did not identify bias in management's judgments. We are also required to evaluate accounting estimates for bias, including whether estimates, while individually reasonable, may not be the estimate best supported by audit evidence. We are also required to perform a retrospective review of estimates and consider "swings" in estimates. We did not observe a trend of bias by management or "swings" in estimates to achieve an expected or desired outcome.

### **Financial Statement Presentation**

We are required to evaluate whether the presentation of the financial statements and related disclosures are in conformity with U.S. GAAP, including the auditor's consideration of the form, arrangement, and content of the financial statements. We have performed the evaluation and believe the financial statements and related disclosures are presented fairly, in all material respects, and in conformity with U.S. GAAP.

### **New Accounting Pronouncements**

If, as a result of our procedures, we identify a concern regarding management's anticipated application of accounting pronouncements that have been issued but are not yet effective and might have a significant effect on future financial reporting, we are obligated to communicate this to you. We did not identify any concerns with management's anticipated adoption of accounting pronouncements that are not yet effective.

### **Alternative Accounting Treatments**

If we have discussed alternative accounting treatments permissible under U.S. GAAP with management, we are required to communicate the ramifications of this alternative and our preference to you. We did not discuss any alternative accounting treatments with management.

### **Other Information in Documents Containing Audited Financial Statements**

Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. 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 in Schedules I, II, and III 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 the standards of the Public Company Accounting Oversight Board (United States). In our opinion, the information in Schedules I, II, and III is fairly stated in all material respects in relation to the financial statements taken as a whole.

### **Difficult or Contentious Matters for which the Auditor Consulted**

We are required to communicate to you matters that are difficult or contentious for which we consulted outside the engagement team and that we reasonably determined are relevant to your oversight of the financial reporting process. We did not consult outside the engagement team.

### **Auditor's Evaluation of the Company's Ability to Continue as a Going Concern**

We are required to communicate matters to you, when applicable, relating to our evaluation of the Company's ability to continue as a going concern for a reasonable period of time. No conditions and/or events were identified that, when considered in the aggregate, lead us to believe that there is substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

### **Departure from the Auditor's Standard Report**

We are required to communicate to you when the audit report is expected to be modified or include explanatory language or paragraph. Our audit report is not expected to be modified or include explanatory language or paragraph.

### **Significant Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit and review.

### **Corrected and Uncorrected Misstatements**

PCAOB standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected misstatements noted during our audit.

*Uncorrected Misstatements – See Appendix A*

### **Disagreements with Management**

For purposes of this letter, PCAOB standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letters dated August 26, 2022.

### **Management Consultation with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Independence Standards**

As required by the PCAOB, at least annually, we are to disclose to you, the nature of all relationships between Moss Adams and the Company that may reasonably be thought to bear on our independence. Our letter confirming our independence was previously provided to the Board of Directors on May 2, 2022.

**Other Matters**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This communication is intended solely for the information and use of the Board of Directors and management of Western Growers Financial Services, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

*Moss Adams LLP*

Dallas, Texas  
August 26, 2022