



CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

January 8, 2026

To Board of Directors and Management
California Pistachio Research Board
499 West Shaw Ave, Suite 140
Fresno, CA 93704

We have audited the financial statements of the California Pistachio Research Board (the Board), which comprise the financial position as of July 31, 2025, and the related statements of revenue, expenses, changes in net position, cash flows and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 23, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in Note 1 to the financial statements. We noted no transactions entered into by the Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. The most sensitive estimate affecting the financial statements was:

Management's estimate of the research projects expense which is recorded over the term of the contracts. We evaluated the key factors and assumptions used to develop the estimated expense in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, for the final research reports that are still outstanding, Management believes that they will receive the final research reports from the researchers and that the final research payments are still payable.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

1. An adjustment was made to record research project expenses over the term of the contract instead of upfront when the research contract is executed. Expenses for research funded projects were understated by \$149,074, Prepaid Research expense, an asset, was overstated by \$42,725 and Research projects payable was understated by \$106,349 for fiscal year 2025.
2. Farm Advisor Research Support expenses and liabilities were understated by \$60,342.

3. California Department of Food and Agriculture Marketing Branch expenses of \$22,235 for May through July 2025 were not accrued, understating expenses and liabilities for fiscal year 2025.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 letter dated January 8, 2026.

Management Consultations 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 Board'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.

Other Audit Findings or Issues

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

Restriction on Use

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

Very truly yours,

A handwritten signature in cursive script that reads "Cuttone & Mastro". The ampersand is stylized.

Cuttone & Mastro CPA's