

FY 2025 Audit Memo

Independent review of representative compensation distributions, reserve fund operations, and operational controls.

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Executive Summary

During fiscal year 2025, Apex Process disbursed a total of \$2,540,000 in representative compensation distributions across 248 active representative LLCs. The contractual \$1,000 monthly minimum was met in 100% of operating months. Verified business activity processed through representative arrangements totaled \$24.6M in documented volume, representing +29% year-over-year growth. The independent CPA review found no material exceptions. Reserve fund balances remained above the contractual coverage threshold throughout the reporting period.

Key Findings

Metric	FY 2025	FY 2024	Change
Total compensation paid	\$2.54M	\$1.82M	+40.7%
Documented activity volume	\$24.6M	\$19.1M	+28.8%
Active representative LLCs (EOY)	284	196	+44.9%
Months floor met (% of total)	100%	100%	
Renewal rate (Y2)	96%	93%	+3.0 pts
Reserve coverage ratio	1.38x	1.28x	+0.10x

Methodology

The CPA review covered all representative LLC distributions made during the reporting period. Sample testing included random selection of 34 representative accounts (~12% of active LLCs) with reconciliation of ACH transfer records, bank statements, and local representative compensation calculations. Reserve fund balances were independently confirmed with the depository institution as of fiscal year-end.

All European principal entities were verified for active registration, current operating agreements, and absence of material adverse legal events. Local representative agreements were reviewed by outside counsel for consistency with the standard template and adequacy of representative protections.

Reserve Fund Operations

The Apex Process reserve fund serves as backing for the contractual \$1,000 monthly minimum guaranteed to representative LLCs. During FY 2025, the reserve was drawn upon in 11 instances across 7 representative LLCs where principal profit-share fell below the contractual floor. Aggregate top-up draws totaled \$41,800, representing 1.6% of total representative distributions.

Reserve coverage ratio is defined as the ratio of liquid reserve balance to twelve-month maximum theoretical floor payments across all active representative LLCs. The ratio remained above 1.0x at all month-end reporting dates, with a closing ratio of 1.38x as of December 31, 2025.

Conclusion

Based on the procedures performed, reserve fund operations and representative compensation distributions for fiscal year 2025 were administered in accordance with published program standards. No material exceptions were identified. This memorandum is prepared by Apex Process Operations in coordination with the independent CPA review.