



Consolidated Financial Statements

For the Years Ended September 30, 2025 and 2024

Table of Contents

	Page
Independent Auditor's Report	1 - 3
Financial Statements:	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6 - 7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 12
Supplementary Information:	
Consolidating Statement of Financial Position	13
Consolidating Statement of Activities	14

Independent Auditor's Report

**To the Board of Directors
Topos Institute
Berkeley, California**

Opinion

We have audited the consolidated financial statements of Topos Institute and Subsidiary (collectively, Topos), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Topos as of September 30, 2025 and 2024, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Topos Research UK, a wholly-owned subsidiary, whose statements reflect total assets constituting 12 percent of consolidated total assets at September 30, 2025, and total revenues constituting 25 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Topos Research UK, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Topos and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

555 110th Ave NE
Suite 700
Bellevue, WA
98004

clarknuber.com

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 Topos' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 Topos' 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 Topos' 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and are 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Clark Nuber P.C.

Certified Public Accountants
May 28, 2026

TOPOS INSTITUTE AND SUBSIDIARY

**Consolidated Statements of Financial Position
September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 581,544	\$ 378,378
Grants receivable	384,688	296,206
Investments	428,490	411,189
Prepays and other assets	<u>35,602</u>	<u>26,646</u>
Total Current Assets	1,430,324	1,112,419
Operating lease right-of-use asset	<u>176,046</u>	<u>155,319</u>
Total Assets	<u>\$ 1,606,370</u>	<u>\$ 1,267,738</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 34,352	\$ 22,684
Accrued expenses	180,130	114,586
Operating lease liability, current portion	<u>128,235</u>	<u>139,819</u>
Total Current Liabilities	342,717	277,089
Operating lease liability, net of current portion	<u>47,165</u>	<u>35,904</u>
Total Liabilities	389,882	312,993
Net Assets:		
Net assets without donor restrictions	1,028,205	923,792
Net assets with donor restrictions	<u>188,283</u>	<u>30,953</u>
Total Net Assets	<u>1,216,488</u>	<u>954,745</u>
Total Liabilities and Net Assets	<u>\$ 1,606,370</u>	<u>\$ 1,267,738</u>

See accompanying notes.

TOPOS INSTITUTE AND SUBSIDIARY

**Consolidated Statements of Activities
For the Years Ended September 30, 2025 and 2024**

	Without Donor Restriction	With Donor Restriction	2025	Without Donor Restriction	With Donor Restriction	2024
Support and Revenues:						
Private grants and contributions	\$ 596,650	\$ 319,043	\$ 915,693	\$ 685,745	\$ 109,729	\$ 795,474
Government grants and contracts	1,765,342		1,765,342	980,445		980,445
Investment income	17,404		17,404	18,865		18,865
Miscellaneous revenue	19,477		19,477	35,751		35,751
Net assets released from restriction	161,713	(161,713)		195,915	(195,915)	
Total Support and Revenues	2,560,586	157,330	2,717,916	1,916,721	(86,186)	1,830,535
Expenses:						
Program services	1,595,176		1,595,176	1,250,758		1,250,758
Management and general	857,379		857,379	646,526		646,526
Fundraising	3,618		3,618	4,235		4,235
Total Expenses	2,456,173		2,456,173	1,901,519		1,901,519
Change in Net Assets	104,413	157,330	261,743	15,202	(86,186)	(70,984)
Net assets, beginning of year	923,792	30,953	954,745	908,590	117,139	1,025,729
Net Assets, End of Year	\$ 1,028,205	\$ 188,283	\$ 1,216,488	\$ 923,792	\$ 30,953	\$ 954,745

See accompanying notes.

TOPOS INSTITUTE AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2025**

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 1,048,980	\$ 434,232	\$ 2,049	\$ 1,485,261
Rent	142,984	38,713	286	181,983
Employee benefits	92,402	52,748	116	145,266
Payroll taxes	76,629	30,840	155	107,624
Program contractors	89,598			89,598
Accounting		86,580		86,580
Legal	22,729	58,817		81,546
Research (travel and other non-salary)	67,486			67,486
Organizational strategy consultants		42,599	549	43,148
Travel	18,536	4,658		23,194
Human resources		20,796		20,796
Other professional fees		51,625		51,625
Meals	237	14,186		14,423
Participant support	14,008			14,008
Materials and supplies	11,386	7		11,393
Office supplies	4,570	3,980	18	8,568
IT services	976	4,743	125	5,844
Payroll service fees	2,485	1,318	5	3,808
Insurance		3,736		3,736
Event expense		2,273		2,273
Recruitment	1,562	498		2,060
Furniture and equipment	24	1,774		1,798
Professional development		821		821
Miscellaneous		801		801
Interest and bank charges	5	450	305	760
Building maintenance and repair	344	247	8	599
Printing and copying		560		560
Computer hardware	196	131	2	329
Taxes and fees		225		225
Utilities and building services	39	14		53
Postage and shipping		7		7
Total Expenses	\$ 1,595,176	\$ 857,379	\$ 3,618	\$ 2,456,173

See accompanying notes.

TOPOS INSTITUTE AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2024**

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 851,945	\$ 352,861	\$ 1,620	\$ 1,206,426
Rent	114,506	20,550	176	135,232
Employee benefits	87,997	39,834	187	128,018
Payroll taxes	66,646	27,267	122	94,035
Accounting		80,274		80,274
Research (travel and other non-salary)	49,710			49,710
Organizational strategy consultants		34,222	1,089	35,311
Program contractors	25,250			25,250
Human resources		25,050		25,050
Legal		18,739		18,739
Participant support	18,168			18,168
Meals	2,243	13,555		15,798
Scholarship	12,000			12,000
Other professional fees		10,173		10,173
Travel		9,069		9,069
Office supplies	4,006	1,950	3	5,959
IT services		3,572	1,016	4,588
Payroll service fees	2,835	1,163	6	4,004
Computer hardware	324	3,111		3,435
Materials and supplies	3,326			3,326
Furniture and equipment	2,656	432		3,088
Event expense	3,021			3,021
Insurance	1,389	1,135	2	2,526
Research events	2,160	334		2,494
Building maintenance and repair	1,560	220	6	1,786
Lease expense		1,756		1,756
Outreach and community building	812			812
Recruitment		638		638
Printing and copying	195	88		283
Taxes and fees		220		220
Interest and bank charges	1	193	8	202
Miscellaneous		81		81
Postage and shipping		39		39
Utilities and building services	8			8
Total Expenses	\$ 1,250,758	\$ 646,526	\$ 4,235	\$ 1,901,519

See accompanying notes.

TOPOS INSTITUTE AND SUBSIDIARY

**Consolidated Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 261,743	\$ (70,984)
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities-		
Unrealized gain	(6,111)	(11,189)
Changes in assets and liabilities:		
Grants receivable	(88,482)	(40,011)
Prepays	(8,956)	(11,108)
Accounts payable	11,668	17,156
Accrued expenses	65,544	7,395
Grant refunding		(30,000)
Operating lease liability, net of right-of-use asset	(21,050)	10,169
	<u>214,356</u>	<u>(128,572)</u>
Net Cash Flows Provided by (Used in) Operating Activities	214,356	(128,572)
Cash Flows From Investing Activities:		
Proceeds from investments	400,000	511,906
Purchases of investments	(411,190)	(400,000)
	<u>(11,190)</u>	<u>111,906</u>
Net Cash (Used in) Provided by Investing Activities	(11,190)	111,906
Net Change in Cash and Cash Equivalents	203,166	(16,666)
Cash and cash equivalents, beginning of year	<u>378,378</u>	<u>395,044</u>
Cash and Cash Equivalents, End of Year/Period	<u>\$ 581,544</u>	<u>\$ 378,378</u>

See accompanying notes.

TOPOS INSTITUTE AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2025 and 2024

Note 1 - Organization and Significant Accounting Policies

Organization - Topos Institute (Topos) is a not-for-profit California corporation shaping technology for public benefit by advancing sciences of connection and integration. Topos works towards a world where the systems that people are embedded within benefit everyone.

During the year ended December 31, 2024, Topos established a United Kingdom wholly owned subsidiary, Topos Research UK, to support its strategic and operational objectives.

Principles of Consolidation - The consolidated financial statements of Topos Institute and subsidiary (collectively Topos) are presented on the accrual basis of accounting with accounting principles generally accepted in the United States of America (U.S. GAAP). All intercompany transactions have been eliminated as a result of consolidation.

Basis of Presentation - Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Topos Institute and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Topos and/or the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. If Topos receives a contribution with donor restrictions and it meets the restrictions in the same year the contribution is received, then it records the contribution as revenue without donor restrictions.

Cash and Cash Equivalents - Topos considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Topos maintains cash deposits in bank accounts which at times exceed federally insured limits.

Support and Revenue - Topos recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give are not recognized as revenues until the conditions on which they depend have been met.

Government Grants and Contracts - Cost reimbursement grant and contract revenue are recognized and recorded as related research expenses are incurred. Topos receives reimbursement for indirect costs on certain research grants based upon a provisional rate applied to direct costs. Any adjustments that are necessary when final rates are determined are recorded in the period they become known. Direct and indirect costs reimbursed by United States government agencies are subject to review and audit by such agencies.

Conditional grants and contracts are recognized when the conditions on which they depend are substantially met. Government grants and contracts are conditioned upon certain performance requirements, matching requirements, and/or the incurrence of allowable qualifying expenses. Topos had \$2,364,354 and \$715,379 in conditional grants and contracts due over the next two years for which amounts have not yet been recognized at September 30, 2025 and 2024, respectively.

TOPOS INSTITUTE AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2025 and 2024

Note 1 - Continued

Receivables - Grants receivable consist of amounts due within one year from the federal government through a pass-through entity. Receivables are stated at the amount management expects to collect from outstanding balances. Management may provide for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off against the valuation allowance. There was no valuation allowance for outstanding receivables as of September 30, 2025 and 2024.

Funding Dependency and Concentration - Topos receives a substantial portion of its funding from Federal government agencies. For the years ended September 30, 2025 and 2024, support from Federal government agencies represented 34% and 53% of total support and revenues, respectively. Receivables from U.S. Federal government agencies represented 20% and 94% of grants receivable at September 30, 2025 and 2024, respectively, and 50% from U.K. government agencies at September 30, 2025.

Investments - The Institute's investments consist of certificates of deposit which are stated at cost plus accrued interest, which approximates fair value.

Leases - Topos determines if an arrangement contains a lease at inception. Operating leases are included in a right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent Topos' obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Topos' leases do not provide an implicit rate of return; thus, Topos uses the risk-free discount rate, determined using a period comparable with that of the lease term from the later of the lease commencement date or implementation date. The ROU asset also includes prepaid lease payments and unamortized initial direct costs, and excludes lease incentives. Topos has lease agreements with lease and non-lease components which are accounted for as a single lease component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Topos will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. A ROU asset and operating lease liability is not recognized for leases with an initial term of 12 months or less.

Federal Income Taxes - The Internal Revenue Service (IRS) has determined that Topos is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Topos has no provision or benefit for income taxes included in these financial statements since taxable income or loss passes through to, and is reportable by, each partner or member individually.

Topos Research UK is a not-for-profit UK corporation.

Foreign Currency Remeasurement - All the assets and liabilities of Topos' subsidiary are translated at year end exchange rates. Revenues and expenses are translated at exchange rates prevailing during the year. All amounts in the accompanying consolidated financial statements are presented in U.S. dollars. The subsidiary had a change to net assets due to the translation adjustment of \$176 for the year ended September 30, 2025.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

TOPOS INSTITUTE AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2025 and 2024

Note 1 - Continued

Allocation of Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. The statement of functional expenses presents the natural classification of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include Personnel Expenditures and Operations Expenditures, which are allocated on the basis of employee time and effort. Expenditures which can be identified with a specific contract or support service are allocated directly, according to their natural expenditure.

Subsequent Events - Topos has evaluated subsequent events through May 28, 2026, the date on which the financial statements were available to be issued.

Note 2 - Liquidity and Availability of Financial Assets

Topos' financial assets available within one year of the statement of financial position date for general expenditure were as follows at September 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 581,544	\$ 378,378
Investments	428,490	411,189
Grants receivable	<u>384,688</u>	<u>296,206</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,394,722</u>	<u>\$ 1,085,773</u>

As part of Topos' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, management utilizes various financial and strategic tools or methods to manage its liquidity. This includes, but is not limited to budget variance analysis, expense control measures, and contingency planning with the Board of Directors.

Note 3 - Leases

Topos leases office space under a long-term, noncancelable lease agreement which expires in 2026. Additionally, the lease includes payments for common area maintenance, utilities, taxes, and insurance that are considered variable lease payments and are excluded from determining the lease liability.

The components of lease expense for the year ended September 30 were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 137,691	\$ 128,325
Short-term and other lease cost		<u>12,054</u>
Total Leasing Expense	<u>\$ 137,691</u>	<u>\$ 140,379</u>

TOPOS INSTITUTE AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2025 and 2024

Note 3 - Continued

Future minimum payments required under operating leases are as follows:

For the Year Ending September 30,

2026	\$	144,648	
2027		<u>36,162</u>	
Total future minimum lease payments		180,810	
Less present value discount		<u>(5,410)</u>	
Total operating lease liabilities		175,400	
Less current portion		<u>(128,235)</u>	
Operating Lease Liability, Net of Current Portion	\$	<u>47,165</u>	

Supplemental cash flow information related to leases as of September 30 was as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities- Operating cash flows from operating leases	\$ 141,969	\$ 140,331
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 277,713	\$ 135,202
Weighted-average remaining lease term - operating lease	1.3 years	1.3 years
Weighted-average discount rate - operating lease	4.40%	4.40%

Note 4 - Net Assets

As of September 30, 2025 and 2024, there was \$188,283 and \$30,953, respectively in net assets with donor restrictions which are subject to program restrictions.

Note 5 - Benefit Plan

Topos sponsors a defined contribution retirement plan ("the Plan"). Employees that are part time, full time, and temporary may all participate in the Plan on the pay period following three months of service. Participants are auto enrolled at a 3% pre-tax rate. There is currently no employer match.

SUPPLEMENTARY INFORMATION

TOPOS INSTITUTE AND SUBSIDIARY

**Consolidating Statement of Financial Position
For the Year Ended September 30, 2025**

	<u>Topos US</u>	<u>Topos UK</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Current Assets:				
Cash and cash equivalents	\$ 501,011	\$ 80,533	\$ -	\$ 581,544
Grants receivable	285,434	99,254		384,688
Investments	428,490			428,490
Prepays and other assets	25,060	10,542		35,602
Total Current Assets	1,239,995	190,329		1,430,324
Operating lease right-of-use asset	176,046			176,046
Total Assets	\$ 1,416,041	\$ 190,329	\$ -	\$ 1,606,370
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	\$ 15,430	\$ 18,922	\$ -	\$ 34,352
Accrued expenses	132,674	47,456		180,130
Operating lease liability, current portion	128,235			128,235
Total Current Liabilities	276,339	66,378		342,717
Operating lease liability, net of current portion	47,165			47,165
Total Liabilities	323,504	66,378		389,882
Net Assets:				
Net assets without donor restrictions	904,254	123,951		1,028,205
Net assets with donor restrictions	188,283			188,283
Total Net Assets	1,092,537	123,951		1,216,488
Total Liabilities and Net Assets	\$ 1,416,041	\$ 190,329	\$ -	\$ 1,606,370

See independent auditor's report.

TOPOS INSTITUTE AND SUBSIDIARY

**Consolidating Statement of Activities
For the Year Ended September 30, 2025**

	<u>Topos US</u>	<u>Topos UK</u>	<u>Eliminations</u>	<u>Total</u>
Without Donor Restriction Activity				
Support and Revenues:				
Private grants and contributions	\$ 521,311	\$ 171,464	\$ (96,125)	\$ 596,650
Government grants and contracts	1,183,063	582,279		1,765,342
Investment income	17,404			17,404
Miscellaneous revenue	18,654	823		19,477
Net assets released from restriction	161,713			161,713
Total Support and Revenues	1,902,145	754,566		2,560,586
Expenses:				
Program services	1,165,789	429,387		1,595,176
Management and general	656,151	201,228		857,379
Fundraising	99,743		(96,125)	3,618
Total Expenses	1,921,683	630,615	(96,125)	2,456,173
Change in Net Assets Without Donor Restrictions	(19,538)	123,951		104,413
Donor-Restricted Activity				
Support and Revenues:				
Private grants and contributions	319,043			319,043
Net assets released from restriction	(161,713)			(161,713)
Total Support and Revenues	157,330			157,330
Change in Net Assets With Donor Restrictions	157,330			157,330
Total Change in Net Assets	137,792	123,951		261,743
Net Assets:				
Beginning of the year	954,745			954,745
End of Year	\$ 1,092,537	\$ 123,951	\$ -	\$ 1,216,488

See independent auditor's report.