THE KAREN TOFFLER CHARITABLE TRUST

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025

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GUTIERREZ MADARIAGA
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Karen Toffler Charitable Trust

Opinion

We have audited the accompanying financial statements of The Karen Toffler Charitable Trust (the "Organization" "Trust") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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 the Organization's ability to continue as a going concern within 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

The financial statements of The Karen Toffler Charitable Trust as of and for the year ended December 31, 2024 were audited by other auditors whose report dated September 15, 2025 expressed an unmodified opinion on those financial statements.

Gutierrez Madariaga, CPA P.A.

GUTIERREZ MADARIAGA, CPA P.A.
Miami, Florida
July 20, 2026

THE KAREN TOFFLER CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 468,241
Investments	21,317,603
Prepaid expense	6,352
Other assets	52,600
TOTAL ASSETS	$ 21,844,796

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable and accrued expenses	$ 26,153
TOTAL LIABILITIES	26,153
NET ASSETS	
Without donor restrictions	21,818,643
TOTAL NET ASSETS	21,818,643
TOTAL LIABILITIES AND NET ASSETS	$ 21,844,796

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

THE KAREN TOFFLER CHARITABLE TRUST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Total Without Donor Restrictions
REVENUES AND GAINS		
Investment return, net	$	2,551,167
Other income		16,673
TOTAL REVENUES AND GAINS		2,567,840
EXPENSES		
Programming		865,946
		865,946
Supporting services:		
Management and general		212,925
TOTAL EXPENSES		1,078,871
CHANGE IN NET ASSETS		1,488,969
NET ASSETS, at beginning of year	$	20,329,674
NET ASSETS, at end of year	$	21,818,643

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

THE KAREN TOFFLER CHARITABLE TRUST
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Supporting Services	
	Program Expenses	Management & General	Total Expenses
Grants	$ 709,423	$ -	$ 709,423
Professional fees	-	131,747	131,747
Personnel expenses	156,523	-	156,523
Other	-	81,178	81,178
Total	$ 865,946	$ 212,925	$ 1,078,871

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

THE KAREN TOFFLER CHARITABLE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 1,488,969
Adjustments to reconcile changes in	
net assets to net cash used in operating activities:	
Net unrealized and realized gain on investments	(1,996,788)
(Increases) Decreases in assets:	
Prepaid expenses	(6,352)
Increases (Decreases) in liabilities:	
Accounts payable	(19,363)
NET CASH USED IN OPERATING ACTIVITIES	(533,534)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(2,701,877)
Proceeds on sale of investments	3,138,385
NET CASH PROVIDED BY INVESTING ACTIVITIES	436,508
NET DECREASE IN CASH AND EQUIVALENTS	(97,026)
CASH AND CASH EQUIVALENTS	
Beginning of year	565,267
End of year	$ 468,241

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

NOTE 1 – NATURE OF ORGANIZATION SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
The Karen Toffler Charitable Trust (the "Trust") is a private, nonprofit, public benefit corporation organized to promote and engage exclusively in charitable grant-making activities. The Trust does not make grants to individuals.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
Basis of Accounting
The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation
The financial statement presentation follows the recommendations of accounting standards codification (ASC) 958-205 “Not-for-Profit Entities”. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets.

Net Assets Without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the primary objectives of the Organization. The Organization's board of directors may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions
Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents
or purposes of the statement of cash flows, the Trust considers cash on hand and deposits in banks to be cash and cash equivalents. The carrying value of cash and cash equivalents at December 31, 2025 approximates its fair value.

The Trust maintains its cash and cash equivalents in bank deposit and other investment accounts which may, at times, exceed federally insured limits. The Trust does not recognize a reserve for expected credit losses related to cash and cash equivalents, as management has concluded there is no risk of non-payment.

Investments
Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Securities are generally held in custodial investment accounts administered by financial institutions. Investments in hedge funds of funds and common or commingled funds are valued using net asset value (NAV) per share of units held by the Trust, as provided by the fund managers or general partners. Investments valued at NAV (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return (net) in the statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Grants

Grants are recognized in the period in which the grant is approved by the Board of Trustees, provided the grant is not subject to future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Payment of grants may not necessarily be made in the year of authorization. There were no conditional grants at December 31, 2025.

Income taxes

The Trust qualifies as a tax-exempt organization under IRC Section 501(c)(3), and accordingly is generally not subject to federal income taxes. The Trust is also exempt from state franchise tax under California Revenue and Tax Code Section 23701(d). However, the Trust is classified under IRC Section 509(a) as a private foundation and, as such, is subject to a 1.39% federal excise tax on net investment income for the year ended December 31, 2025. Deferred excise taxes arise from the net unrealized appreciation in the fair value of investments. As of December 31, 2025, the Trust did not have a material deferred excise tax liability and therefore the accompanying financial statements do not include a provision for deferred excise taxes.

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, Uncertainty in Income Taxes, the Trust recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The Trust has performed an evaluation of uncertain tax positions and no matters were noted that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

Functional Allocation of Expenses

The costs of providing the Trust's programs and other activities are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit, such as time worked.

Use of Estimates

The preparation of financial statements, in conformity to the generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated subsequent events through July 20, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Trust has implemented the fair value accounting standard for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

The following table presents information about the Trust's assets that are measured at fair value on a recurring basis at December 31, 2025, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

		Fair Value Measurements Using:			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Per Share or its Equivalent (NAV)
Equity, Mutual Funds and EFTs	$ 9,014,748	$ 9,014,748	$ -	$ -	$ -
Fixed Income, Mutual Funds and EFTs	5,697,411	5,697,411	-	-	-
Common Stocks	5,105,124	5,105,124	-	-	-
Fund of Funds and Commingled Funds	1,500,320	-	-	-	1,500,320
	$ 21,317,603	$ 19,817,283	$ -	$ -	$ 1,500,320

The fair values of investments within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

Investments valued using NAV are comprised of various hedge, long-only equity, and fixed income commingled funds and fund of funds. These investments (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments are valued using the NAV provided by the fund managers or general partners. It is probable that the investments will be sold at an amount different from their fair value at December 31, 2025.

The following table summarizes the redemption frequency and notice period for the Trust's investments using NAV as a practical expedient as of December 31, 2025:

	Fair Value	Redemption Frequency	Redemption Notice Period
Hedge Fund	$ 186,709	Quarterly	Unwinding, pay-out based upon underlying liquidity
Private Equity Funds	1,313,611	Illiquid	N/A
Total	$ 1,500,320		

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Trust at December 31, 2025 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

The Organization's liquidity and available resources as of December 31, 2025, are as follows:

Cash and cash equivalents	$	468,241
Investments		21,317,603
Total financial assets		21,785,844
Less those unavailable for general expenditure within one year due to illiquid investments		(1,313,611)
Financial assets available to meet cash needs for general expenditures within one year.	$	20,472,233

The Trust regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of the Trust's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.