EPISCOPAL
DIOCESE *of*
INDIANAPOLIS

FINANCIAL STATEMENTS – MODIFIED CASH BASIS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025 and 2024

ksm

Katz, Sapper & Miller, LLP
Certified Public Accountants

EPISCOPAL DIOCESE OF INDIANAPOLIS

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Katz, Sapper & Miller, LLP
Certified Public Accountants

600 East 96th Street, Suite 150
Indianapolis, IN 46240

Independent Auditor's Report

Executive Council of
Episcopal Diocese of Indianapolis

Opinion

We have audited the accompanying financial statements of Episcopal Diocese of Indianapolis, which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2025 and 2024, and the related statements of revenue, support, expenses and changes in net assets – modified cash basis, statements of functional expenses – modified cash basis, and statements of cash flows – modified cash basis for the years 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 Episcopal Diocese of Indianapolis as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits 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 Episcopal Diocese of Indianapolis 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances. Management is also responsible 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.

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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 Episcopal Diocese of Indianapolis'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 Episcopal Diocese of Indianapolis'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.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
September 17, 2026

EPISCOPAL DIOCESE OF INDIANAPOLIS

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 703,206	$ 1,245,095
Investments	57,854,200	52,085,292
Due from Waycross	452,193	437,108
Notes receivable	258,651	331,587
Assets held for congregation	1,558,754	1,512,428
TOTAL ASSETS	$ 60,827,004	$ 55,611,510
LIABILITIES		
Funds held for parishes	$ 10,622,974	$ 9,338,812
Funds held for others	841,217	871,639
Agency and designated purpose funds	438,666	228,898
Note payable	1,653,498	1,694,946
Total Liabilities	13,556,355	12,134,295
NET ASSETS		
Without donor restrictions	36,589,652	33,073,420
With donor restrictions	10,680,997	10,403,795
Total Net Assets	47,270,649	43,477,215
TOTAL LIABILITIES AND NET ASSETS	$ 60,827,004	$ 55,611,510

See accompanying notes.

EPISCOPAL DIOCESE OF INDIANAPOLIS

STATEMENTS OF REVENUE, SUPPORT, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Apportionments	$ 2,094,741		$ 2,094,741	$ 1,985,243		$ 1,985,243
Contributions	52,219	$ 300,836	353,055	30,235	$ 1,325,250	1,355,485
Investment return	5,369,783	1,226,979	6,596,762	3,759,272	865,376	4,624,648
Other income (expense), net	57,293		57,293	62,540		62,540
Net assets released from restrictions	1,250,613	(1,250,613)		925,758	(925,758)	
Total Revenue and Support	8,824,649	277,202	9,101,851	6,763,048	1,264,868	8,027,916
EXPENSES						
Administrative expenses	2,728,257		2,728,257	2,669,373		2,669,373
Local and global outreach	732,005		732,005	1,429,175		1,429,175
Congregation and community support	1,729,996		1,729,996	1,235,066		1,235,066
Other	118,159		118,159	17,577		17,577
Total Expenses	5,308,417		5,308,417	5,351,191		5,351,191
CHANGE IN NET ASSETS	3,516,232	277,202	3,793,434	1,411,857	1,264,868	2,676,725
NET ASSETS						
Beginning of Year	33,073,420	10,403,795	43,477,215	31,661,563	9,138,927	40,800,490
End of Year	$ 36,589,652	$ 10,680,997	$ 47,270,649	$ 33,073,420	$ 10,403,795	$ 43,477,215

See accompanying notes.

EPISCOPAL DIOCESE OF INDIANAPOLIS

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Congregation and community support	$1,604,266	$ 51,723	$ 74,007	$1,729,996
Local and global outreach	612,973	116,261	2,771	732,005
Salaries	940,535	195,277	7,758	1,143,570
Employee benefits	825,047	57,177	77	882,301
Payroll taxes	23,795	17,180	717	41,692
Pension	148,452	23,424	922	172,798
Self-employment contributions act tax	25,339			25,339
Convention	41,203	10,500		51,703
Bank fees		2,771		2,771
Contract labor		73,497		73,497
Insurance		43,250		43,250
Office		46,526		46,526
Professional fees		74,469		74,469
Rent		57,148		57,148
Travel	78,347	7,183		85,530
Miscellaneous	145,822			145,822
TOTAL EXPENSES BY FUNCTION	$4,445,779	$ 776,386	$ 86,252	$5,308,417

See accompanying notes.

EPISCOPAL DIOCESE OF INDIANAPOLIS

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Congregation and community support	$1,182,978	$ 52,088		$1,235,066
Local and global outreach	1,309,920	116,870	$ 2,385	1,429,175
Exploration, promise, and opportunity	7,221			7,221
Salaries	917,176	160,670	6,542	1,084,388
Employee benefits	773,697	51,147	79	824,923
Payroll taxes	23,336	16,848	703	40,887
Pension	141,921	19,085	875	161,881
Self-employment contributions act tax	22,556			22,556
Convention	33,041	7,537		40,578
Bank fees		2,340		2,340
Contract labor		45,702		45,702
Insurance		38,598		38,598
Office		44,011		44,011
Professional fees		110,707		110,707
Rent		57,132		57,132
Travel	78,962	4,260		83,222
Miscellaneous	122,804			122,804
TOTAL EXPENSES BY FUNCTION	$4,613,612	$ 726,995	$ 10,584	$5,351,191

See accompanying notes.

EPISCOPAL DIOCESE OF INDIANAPOLIS

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
Years Ended December 31, 2025 and 2024

	2025	2024
OPERATING ACTIVITIES		
Change in net assets	$ 3,793,434	$ 2,676,725
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gain on investments	(5,346,378)	(3,566,055)
Unpaid interest accrued on amount due from Waycross	(15,085)	(21,638)
Increase (decrease) in certain liabilities:		
Funds held for parishes	1,284,162	790,905
Funds held for others	(30,422)	77,165
Agency and designated purpose funds	209,768	91,523
Net Cash Provided (Used) by Operating Activities	(104,521)	48,625
INVESTING ACTIVITIES		
Collection on notes receivable	72,936	27,754
Purchases of assets held for congregation	(46,326)	(1,512,428)
Purchases of investments	(6,068,498)	(8,698,610)
Proceeds from sales and maturities of investments	6,390,212	8,714,299
Net Cash Provided (Used) by Investing Activities	348,324	(1,468,985)
FINANCING ACTIVITIES		
Proceeds from issuance of note payable		1,700,000
Principal payments on note payable	(41,448)	(5,054)
Net Cash Provided (Used) by Financing Activities	(41,448)	1,694,946
NET INCREASE IN CASH AND CASH EQUIVALENTS	202,355	274,586
CASH AND CASH EQUIVALENTS		
Beginning of Year	1,402,519	1,127,933
End of Year	$ 1,604,874	$ 1,402,519
CASH AND CASH EQUIVALENTS		
Cash	$ 703,206	$ 1,245,095
Cash equivalents - investments	901,668	157,424
TOTAL CASH AND CASH EQUIVALENTS	$ 1,604,874	$ 1,402,519
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 115,388	$ 8,016

See accompanying notes.

EPISCOPAL DIOCESE OF INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The Episcopal Diocese of Indianapolis (the Diocese) was incorporated as a not-for-profit organization in January 1968 under the laws of the State of Indiana. The Diocese was organized for the administration of the Episcopal Church in Central and Southern Indiana by providing loans and grants, as well as religious and educational services to the community. The Diocese's primary sources of revenue are apportionments and investment return. Member parishes are separate legal entities governed by their respective governing bodies. Accordingly, the accompanying financial statements do not include the financial position, results of operations, or cash flows of the member parishes.

Basis of Accounting: The accompanying financial statements were prepared on the modified cash basis of accounting. Contributions and revenue are reported when cash is received rather than when earned, and expenses are reported when paid rather than when the obligation is incurred. Capital expenditures are expensed as paid.

Loans and notes receivable are recognized as assets when made. Interest on loans and notes receivable from parishes and missions is not accrued or recorded until received. Payments are applied first to interest and then to reduce the outstanding principal balance. Amounts due from Waycross, Inc. (Waycross) under the line of credit agreement are recognized as an asset when funds are advanced. Interest is accrued on the outstanding principal balance and recorded as part of the amount due from Waycross. Payments are applied first to any outstanding interest and then to reduce the outstanding principal balance. Loans payable and line of credit borrowings are recognized when funds are received and recorded as a liability. Interest is accrued on the outstanding principal balance, but not recorded. Payments for operating and finance leases are expensed when paid. No asset is recognized for the right to use the underlying asset and no liability is recognized for the obligation to make the lease payments.

The accompanying financial statements do not include Waycross, which the Diocese controls through board member appointments.

Net Asset Classifications: The financial statements report information regarding the Diocese's financial position and activities according to the following net asset classifications:

- ***Net Assets Without Donor Restrictions*** are not subject to donor-imposed restrictions and may be used at the discretion of the Diocese's management.

- ***Net Assets With Donor Restrictions*** are subject to stipulations imposed by donors. All of the Diocese's donor restrictions are temporary in nature; those restrictions will be met by actions of the Diocese or by the passage of time.

  Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of revenue, support, expenses and changes in net assets – modified cash basis. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Estimates: The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Equivalents consist of cash in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less for the purposes of the statements of cash flows – modified cash basis. Cash and equivalents included in investment accounts are reflected in investments on the statements of assets, liabilities, and net assets – modified cash basis. The Diocese maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Diocese has not experienced any losses from its bank accounts.

Investment Valuation and Income Recognition: Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the statements of revenue, support and expenses and changes in net assets – modified cash basis consists of interest and dividend income and realized and unrealized capital gains and losses, net of external investment expenses. Interest and dividend income is recorded when received. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the financial statements.

Assets Held for Congregation: From time to time, the Diocese acquires real property with the intent to donate the property to a congregation for ministry use. These properties are recorded at cost (or fair value if donated) and reported as assets held for congregation until such time as the property is transferred. Capital improvements are included in the recorded amount. No depreciation is recorded. Upon transfer, the asset is removed and a corresponding expense is recognized.

Funds Held for Parishes and for Others: The Diocese holds funds on behalf of parishes and other entities for investment and administration. The related investments are recorded as assets of the Diocese with corresponding liabilities to the respective parishes and other entities. Changes in the value of the investments are reflected as corresponding changes in the related liabilities and are not included in the Diocese's investment return. Funds are distributed to the respective parishes and other entities upon request in accordance with the terms of the applicable arrangements.

Agency and Designated Purpose Funds: The liability agency and designated purpose funds represents amounts held in agency capacity for other entities and contributions received for the benefit of other entities, primarily Episcopalian churches.

Contributions are recognized as support when they are received.

Apportionment Revenue: Apportionment revenues are calculated at 14% of the average of net operating income for the previous three years of member parishes for the years ended December 31, 2025 and 2024, for each period. Apportionments are considered to be earned when received.

Functional Allocation of Expenses: The costs of providing programs and other activities have been summarized on a functional basis in the statements of functional expenses – modified cash basis. Directly identifiable expenses are charged to the specific program and support services benefited. Expenses related to more than one function, which include personnel expenses and local and global outreach, are allocated among program and support services based on time spent by Diocese staff. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Diocese.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes: The Diocese is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. In addition, the Diocese has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the IRC. There was no unrelated business income tax for the years ended December 31, 2025 and 2024.

The Diocese is not required to file federal or state information returns. Management believes that the Diocese's income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

Reclassifications: Certain amounts in the 2024 financial statements have been reclassified to conform to the presentation of the 2025 financial statements.

Subsequent Events: Management has evaluated the financial statements for subsequent events occurring through September 17, 2026, the date the financial statements were available to be issued.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The Diocese's financial assets available for general expenditure within one year of December 31, 2025 and 2024 were as follows:

	2025	2024
Cash	$ 703,206	$ 1,245,095
Investments	57,854,200	52,085,292
Notes receivable	258,651	331,587
Total Financial Assets	58,816,057	53,661,974
Notes receivable to be collected in more than one year	(172,858)	(287,948)
Funds held for parishes	(10,622,974)	(9,338,812)
Funds held for others (non-church)	(841,217)	(871,639)
Agency and designated purpose funds	(438,666)	(228,898)
Donor-imposed Restrictions:		
Funds subject to purpose restrictions	(10,680,997)	(10,403,795)
Total Financial Assets Available Within One Year	$ 36,059,345	$ 32,530,882

The Diocese has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. The Diocese regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition, as part of its liquidity management, the Diocese invests cash in excess of daily requirements in short-term investments, including money market fund shares.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Diocese has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Diocese has the ability to access.

Level 2 - Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Diocese makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Diocese for assets that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Mutual Fund Shares and Money Market Fund Shares: Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Government Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Private Equity Funds: Valued at net asset value (NAV), as provided by the fund manager. NAV is used as a practical expedient to estimate fair value and is based on the fair value of the underlying investments less liabilities. The practical expedient would not be used if it is determined to be probable that the fund would sell the investment for an amount different than the reported NAV. When NAV is used to estimate fair value, these funds are not classified in the fair value hierarchy.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Diocese's assets that are measured at fair value on a recurring basis as of December 31, 2025 and 2024:

2025	Level 1	Level 2	Total	Measured at NAV
Assets				
Investments:				
Money market fund shares	$ 901,668		$ 901,668	
Mutual fund shares:				
Equities	12,578,022		12,578,022	
Fixed income	15,339,159		15,339,159	
Common stocks:				
Domestic	19,675,585		19,675,585	
Foreign	686,241		686,241	
Government bonds		$5,207	5,207	
Private equity funds				$8,668,318
Total Assets at Fair Value	$49,180,675	$5,207	$49,185,882	$8,668,318

2024	Level 1	Level 2	Total	Measured at NAV
Assets				
Investments:				
Money market fund shares	$ 157,424		$ 157,424	
Mutual fund shares:				
Equities	10,899,378		10,899,378	
Fixed income	14,252,032		14,252,032	
Common stocks:				
Domestic	17,708,359		17,708,359	
Foreign	620,125		620,125	
Government bonds		$7,137	7,137	
Private equity funds				$8,440,837
Total Assets at Fair Value	$43,637,318	$7,137	$43,644,455	$8,440,837

Assets Measured Using Net Asset Value per Share (or Equivalent) Practical Expedient

The following table summarizes assets measured at fair value based on the NAV per share (or equivalent) as of December 31, 2025 and 2024:

Instrument	Fair Value 2025	Fair Value 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Fund (a)	$1,599,842	$1,240,472	None	See (a)	See (a)
Private Equity Fund (b)	3,306,630	3,022,162	None	See (b)	See (b)
Private Equity Fund (c)	2,179,529	2,674,606	None	See (c)	See (c)
Private Equity Fund (d)	1,582,317	1,503,597	None	See (d)	See (d)

(a) The private equity fund's objective is to invest all of its assets in Partners Group Private Equity II, LLC, whose objective is to seek long-term capital appreciation by investing in a diversified portfolio of private equity investments. Members of the private equity fund may not tender units for redemption until 36 months following date of acquisition of units. Thereafter, redemptions will be offered of no more than 5% of funds quarterly on or about the first day of the calendar quarter immediately following the second anniversary of the initial closing and thereafter quarterly on first day of each quarter.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

(b) The private equity fund is a fund investor vehicle along with 20 others under the Infrastructure Investments Fund. The purpose of the Infrastructure Investments Fund is to invest in a broad range of infrastructure and infrastructure-related assets located in member countries of the Organization for Economic Co-Operation and Development with a primary focus on the United States, Canada, Western Europe and Australia. JP Morgan Investment Management, Inc. (the Adviser) at its discretion, may drawdown unpaid commitments, as defined by the Private Placement Memorandum. Redemptions or repurchases, as defined in the Private Placement Memorandum, by investors are accepted by the Adviser at March 31st or September 30th each year.

(c) The private equity fund seeks to provide favorable risk-adjusted returns compared to equities by systematically reducing equity market risk and harvesting the volatility risk premium (VRP) through the sale of fully collateralized index options. The fund maintains a base portfolio composed of approximately 50% S&P 500 Index exposure and 50% U.S. Treasury Bills, complemented by an option overlay strategy designed to dampen drawdowns and promote faster recovery during periods of market stress. Redemptions are permitted monthly with a five business day prior notice requirement.

(d) The private equity fund is an open-end real estate investment vehicle sponsored and managed by Principal Real Estate Investors, LLC. The fund invests in a diversified portfolio of stabilized, income-producing real estate assets along with select value-added and development opportunities across major U.S. metropolitan markets. Redemptions are permitted on a quarterly basis, and processed subject to available liquidity and at the discretion of the General Partner. Redemption requests must be submitted with a minimum 60-day advance notice, and redemptions may be fulfilled partially across multiple quarters due to cash availability and queue prioritization.

NOTE 4 - INVESTMENTS

The Diocese's investments consisted of the following as of December 31, 2025 and 2024:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Money market fund shares	$ 901,668	$ 901,668	$ 157,424	$ 157,424
Mutual fund shares	24,905,984	27,917,181	24,649,796	25,151,410
Common stocks	11,665,884	20,361,826	11,930,424	18,328,484
Government bonds	5,300	5,207	7,420	7,137
Private equity funds	6,858,372	8,668,318	7,410,000	8,440,837
Total Investments	$44,337,208	$57,854,200	$44,155,064	$52,085,292

The Diocese's investment return consisted of the following for 2025 and 2024:

	2025	2024
Interest and dividends	$1,269,369	$1,074,134
Realized and unrealized gains	5,346,378	3,566,055
Broker investment expenses	(18,985)	(15,541)
Total Investment Return	$6,596,762	$4,624,648

NOTE 5 - NOTES RECEIVABLE

The Diocese has made loans to some of its parishes and missions which bear interest rates ranging from 3.75% to 6.50%, are payable in monthly installments, and have maturity dates through April 2035. The loans are unsecured and range from one to fifteen years depending on the amount of the loan and its purpose. As of December 31, 2025 and 2024, total notes receivable were $258,651 and $331,587, respectively.

At December 31, 2025, the aggregate maturities of the notes receivable were as follows:

Payable In	Principal
2026	$ 85,793
2027	31,571
2028	33,578
2029	31,101
2030	21,384
Thereafter	55,224
	$258,651

NOTE 6 - DEBT AND CREDIT ARRANGEMENTS

In October 2024, the Diocese entered into a $1,700,000 note payable with a bank to assist in the purchase of property for a congregation. The note is payable in monthly installments of $13,070, including interest at a rate of 6.79%, and matures in November 2029. The note is secured by all investment property, financial assets, instruments, cash, and other related assets held in an account at the bank, including all proceeds, income, and substitutions thereof. The Diocese is also subject to certain nonfinancial covenants under the terms of the agreement.

At December 31, 2025, the aggregate maturities of the note payable were as follows:

Payable In	Principal Payments
2026	$ 44,393
2027	47,548
2028	50,618
2029	1,510,939
	$1,653,498

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Subject to Expenditures for Specified Purpose:		
Episcopal fund for human need	$ 14,683	$ 14,383
Thriving congregations grant	273,066	927,789
Supporting Hoosier Churches	240,325	
Urban legacy lands initiative	24,848	
Centering children in worship grant	1,238,988	1,250,000
Other	1,071	1,071
Funds used for lending and issuing grants to member parishes and missions	8,888,016	8,210,552
Total Net Assets With Donor Restrictions	$10,680,997	$10,403,795

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Satisfaction of purpose restrictions:		
Thriving congregations grant	$ 654,723	$268,633
Supporting Hoosier Churches	9,675	
Urban legacy lands initiative	25,688	521,289
Centering children in worship grant	11,012	
Funds used for lending and issuing grants to member parishes and missions	549,515	135,836
Total Net Assets Released from Restrictions	$1,250,613	$925,758

NOTE 8 - OPERATING LEASES

The Diocese has a long-term noncancellable operating lease for office space that was originally scheduled to expire in June 2025. During 2025, the Diocese exercised its extension options, extending the lease term through December 31, 2026. The Diocese also has two noncancellable operating leases for an automobile and a copier through February 2028. Total rent expense was $57,148 in 2025 and $57,132 in 2024.

At December 31, 2025, the future minimum rental payments required by all long-term noncancellable operating leases were as follows:

Payable In	Rental Payments
2026	$90,633
2027	3,813
2028	636
	$95,082

NOTE 9 - MULTIEMPLOYER PENSION PLANS

The Church Pension Fund and its affiliates, known as the Church Pension Group, establish and administer The Church Pension Fund Clergy Pension Plan (Clergy Plan) and The Episcopal Church Lay Employees' Retirement Plan (Lay Plan) (together, the Plans). The Diocese pays 100% of the contributions made to the Plans for eligible employees. Employees are eligible for the Plans upon 1,000 hours or more per year and have completed one year of service after attaining the age of 21. Employees are fully vested after completing five years of credited service or attaining age 65 or older while an active participant for the Clergy Plan. Employees are fully vested after completing five years of credited service or attaining age 55 while an active participant for the Lay Plan. Contributions are 9% of compensation for lay employees and 18% of compensation for ordained employees and also are determined by the Church Pension Group based on actuarial assumptions provided by the Plans. The zone status is based on information that the Diocese received from the Plans and is certified by the Plans' actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are between 65% and 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

NOTE 9 - MULTIEMPLOYER PENSION PLANS (CONTINUED)

Information in respect of the multiemployer Plans providing pension benefits in which the Diocese participates is as follows as of December 31, 2025 and 2024:

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status 2025	Pension Protection Act Zone Status 2024	FIP/RP Status Pending/ Implemented	Diocese Contributions 2025	Diocese Contributions 2024	Surcharge Imposed
Lay	EIN 13-5562193, Plan 57163	Green	Green	N/A	$ 20,438	$ 16,907	No
Clergy	EIN 13-5562193, Plan 57218	Green	Green	N/A	152,360	144,974	No
Total Contributions					$172,798	$161,881	

NOTE 10 - RELATED PARTY TRANSACTIONS

The Diocese is the lender under an unsecured $400,000 line of credit agreement with Waycross that is due on demand. Interest is payable monthly under the line of credit agreement at the 90-day U.S. Treasury Bill rate plus 0.50%, with the interest rate adjusted quarterly. The interest rate was 4.07% and 4.77% at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, amounts due from Waycross totaled $452,193 and $437,108, respectively, consisting of outstanding principal of $399,762 at each year-end and accrued interest of $52,431 and $37,346, respectively.

The Diocese has made loans to some of its parishes and missions. See Note 5.

The Diocese receives apportionments from its member parishes. Apportionment revenues totaled $2,094,741 in 2025 and $1,985,243 in 2024.

The Diocese provided $383,468 and $192,263 in grants and operating support to parishes during 2025 and 2024, respectively.

NOTE 11 - CONTINGENCIES

In the course of normal operations, the Diocese is subject to various claims and assessments and is involved in various litigation that management intends to vigorously defend. The range of loss, if any, from these potential claims cannot be reasonably estimated. However, management believes the ultimate resolution of these matters will not have a material adverse impact on the Diocese's business or financial position.