

**EPISCOPAL IMPACT FUND AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

EPISCOPAL IMPACT FUND AND AFFILIATE

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Episcopal Impact Fund and Affiliate

We have reviewed the accompanying consolidated financial statements of Episcopal Impact Fund and Affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 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 consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Episcopal Impact Fund and Affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California

September 23, 2026

**EPISCOPAL IMPACT FUND AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

	<u>ASSETS</u>	
	<u>2025</u>	<u>2024</u>
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,286,854	\$ 1,405,367
Investments, at fair value	847,894	276,308
Pledges receivable, net	154,982	302,028
Note receivable, current	66,673	133,333
Prepaid expenses and other	<u>20,000</u>	<u>21,167</u>
Total current assets	2,376,403	2,138,203
<u>Property and equipment, net</u>	-	255
<u>Other assets:</u>		
Pledges receivable, long-term	129,668	301,607
Note receivable, net of current portion	-	50,000
Investments held for long-term purposes, at fair value	<u>22,814,977</u>	<u>20,352,934</u>
Total assets	<u>\$ 25,321,048</u>	<u>\$ 22,842,999</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable	\$ 108,042	\$ 53,418
Accrued expenses	<u>26,219</u>	<u>30,610</u>
Total liabilities	<u>134,261</u>	<u>84,028</u>
<u>Net assets:</u>		
Without donor restrictions	4,872,071	4,673,066
With donor restrictions	<u>20,314,716</u>	<u>18,085,905</u>
Total net assets	<u>25,186,787</u>	<u>22,758,971</u>
Total liabilities and net assets	<u>\$ 25,321,048</u>	<u>\$ 22,842,999</u>

See independent accountants' review report and notes to the financial statements

**EPISCOPAL IMPACT FUND AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Operating revenue, support and gains</u>			
Contributions	\$ 181,533	\$ 21,350	\$ 202,883
Special events, net of \$148,537 expenses	271,446	-	271,446
Investment income, net	204,103	1,132,913	1,337,016
Net assets released from restrictions	<u>674,448</u>	<u>(674,448)</u>	<u>-</u>
Total operating revenue, support, and gains	<u>1,331,530</u>	<u>479,815</u>	<u>1,811,345</u>
<u>Operating expenses</u>			
Program services:			
Strategic Programs	<u>983,728</u>	<u>-</u>	<u>983,728</u>
Supporting activities:			
Management and General	205,905	-	205,905
Fundraising	<u>212,110</u>	<u>-</u>	<u>212,110</u>
Total supporting activities	<u>418,015</u>	<u>-</u>	<u>418,015</u>
Total operating expenses	<u>1,401,743</u>	<u>-</u>	<u>1,401,743</u>
Change in net assets from operating activities	(70,213)	479,815	409,602
<u>Non-operating activities</u>			
Long-term investment gains and losses	<u>269,218</u>	<u>1,748,996</u>	<u>2,018,214</u>
Change in net assets	199,005	2,228,811	2,427,816
Net assets at beginning of year	<u>4,673,066</u>	<u>18,085,905</u>	<u>22,758,971</u>
Net assets at end of year	<u>\$ 4,872,071</u>	<u>\$ 20,314,716</u>	<u>\$ 25,186,787</u>

See independent accountants' review report and notes to the financial statements

**EPISCOPAL IMPACT FUND AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Operating revenue, support and gains</u>			
Contributions	\$ 961,612	\$ 10,871	\$ 972,483
Special events, net of \$123,142 expenses	228,119	-	228,119
Investment income, net	149,423	822,760	972,183
Net assets released from restrictions	<u>836,037</u>	<u>(836,037)</u>	<u>-</u>
Total operating revenue, support, and gains	<u>2,175,191</u>	<u>(2,406)</u>	<u>2,172,785</u>
<u>Operating expenses</u>			
Program services:			
Strategic Programs	<u>1,067,288</u>	<u>-</u>	<u>1,067,288</u>
Supporting activities:			
Management and General	122,943	-	122,943
Fundraising	<u>199,754</u>	<u>-</u>	<u>199,754</u>
Total supporting activities	<u>322,697</u>	<u>-</u>	<u>322,697</u>
Total operating expenses	<u>1,389,985</u>	<u>-</u>	<u>1,389,985</u>
Change in net assets from operating activities	785,206	(2,406)	782,800
<u>Non-operating activities</u>			
Long-term investment gains and losses	<u>105,787</u>	<u>627,068</u>	<u>732,855</u>
Change in net assets	890,993	624,662	1,515,655
Net assets at beginning of year	<u>3,782,073</u>	<u>17,461,243</u>	<u>21,243,316</u>
Net assets at end of year	<u>\$ 4,673,066</u>	<u>\$ 18,085,905</u>	<u>\$ 22,758,971</u>

See independent accountants' review report and notes to the financial statements

**EPISCOPAL IMPACT FUND AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Strategic Programs	Management and General	Fundraising	Total
Donations and grants	\$ 761,552	\$ -	\$ -	\$ 761,552
Salaries and payroll taxes	178,537	71,907	161,059	411,503
Marketing and events	2,089	587	173,880	176,556
Bad debt	-	90,500	-	90,500
Employee benefits	27,644	9,199	10,584	47,427
Professional fees	-	25,301	-	25,301
Printing and other publication expenses	4,195	1,077	13,917	19,189
Insurance	4,130	2,004	712	6,846
Conferences and meetings	4,338	12	357	4,707
Other operating expenses	264	2,515	84	2,863
Bank and other fees	-	2,155	-	2,155
Travel	929	-	5	934
Equipment maintenance and rental	-	492	-	492
Depreciation	50	156	49	255
	<u>983,728</u>	<u>205,905</u>	<u>360,647</u>	<u>1,550,280</u>
Total expenses	983,728	205,905	360,647	1,550,280
Less: Special event direct costs	<u>-</u>	<u>-</u>	<u>(148,537)</u>	<u>(148,537)</u>
Total	\$ <u><u>983,728</u></u>	\$ <u><u>205,905</u></u>	\$ <u><u>212,110</u></u>	\$ <u><u>1,401,743</u></u>

See independent accountants' review report and notes to the financial statements

**EPISCOPAL IMPACT FUND AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Strategic Programs	Management and General	Fundraising	Total
Donations and grants	\$ 836,400	\$ -	\$ -	\$ 836,400
Salaries and payroll taxes	178,076	79,444	170,728	428,248
Marketing and events	6,038	858	131,139	138,035
Employee benefits	29,789	9,816	10,973	50,578
Professional fees	1,500	23,946	-	25,446
Printing and other publication expenses	4,949	671	7,619	13,239
Insurance	5,005	1,578	926	7,509
Conferences and meetings	3,549	1,692	67	5,308
Other operating expenses	603	1,850	-	2,453
Bank and other fees	-	2,067	269	2,336
Equipment maintenance and rental	-	553	869	1,422
Travel	1,232	24	158	1,414
Depreciation	<u>147</u>	<u>444</u>	<u>148</u>	<u>739</u>
Total expenses	1,067,288	122,943	322,896	1,513,127
Less: Special event direct costs	<u>-</u>	<u>-</u>	<u>(123,142)</u>	<u>(123,142)</u>
Total	<u>\$ 1,067,288</u>	<u>\$ 122,943</u>	<u>\$ 199,754</u>	<u>\$ 1,389,985</u>

See independent accountants' review report and notes to the financial statements

**EPISCOPAL IMPACT FUND AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2025</u>	<u>2024</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 2,427,816	\$ 1,515,655
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	255	739
Net realized and unrealized gains on investments	(2,018,214)	(732,855)
(Increase) decrease in assets:		
Pledges receivable	318,985	(76,143)
Prepaid expenses and other	1,167	(10,294)
Increase (decrease) in liabilities:		
Accounts payable	54,624	(10,533)
Accrued expenses	<u>(4,391)</u>	<u>4,391</u>
Total adjustments	<u>(1,647,574)</u>	<u>(824,695)</u>
Net cash provided by operating activities	<u>780,242</u>	<u>690,960</u>
<u>Cash flows from investing activities</u>		
Purchases of investments	(8,667,573)	(1,046,031)
Proceeds from sales of investments	7,652,158	755,926
Issuance of note receivable	-	(200,000)
Repayments on note receivable	<u>116,660</u>	<u>16,667</u>
Net cash used in investing activities	<u>(898,755)</u>	<u>(473,438)</u>
Net (decrease) increase in cash and cash equivalents	(118,513)	217,522
Cash and cash equivalents, beginning	<u>1,405,367</u>	<u>1,187,845</u>
Cash and cash equivalents, ending	<u>\$ 1,286,854</u>	<u>\$ 1,405,367</u>

See independent accountants' review report and notes to the financial statements

**EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

Note 1

Nature of Organization

The consolidated financial statements include the accounts of Episcopal Impact Fund and its Affiliate, The Brotherton Fund (collectively the "Organization"). Episcopal Impact Fund and The Brotherton Fund operate under common management.

The Organization is a non-profit grantmaking organization that helps elevate the lives of its Bay Area neighbors experiencing poverty. The Organization makes grants to community-based organizations doing heart-centered work to end the cycle of poverty for Bay Area families. It uses its experience and a strategic process to find, fund, and support hands-on service providers ready to make an impact today. The Organization has been funding community-based poverty relief efforts for decades. Based on experience, focus is on housing security for families as a cornerstone in breaking the cycle of intergenerational poverty in the Bay Area. The Organization combines the generosity and engagement of supporters with hands-on nonprofit organizations to make an impact for its most vulnerable neighbors.

To expand its impact, the Organization added to its grantmaking portfolio by including the launch of the "Say Yes!" Fund, which honors the legacy of retired Executive Director, Kathleen Piraino, and her willingness to partner with grantees when unexpected needs occurred. Understanding that the Organization will not affect the root causes of poverty without engaging in systems change, new advocacy grants were also added to its philanthropy.

The Brotherton Fund came under Episcopal Impact Fund's management as a result of a 2004 Reorganization Agreement between Episcopal Impact Fund and the Brotherton Fund. Funds transferred at that time were \$9,801,803, permanently restricted for the benefit of St. Luke's Campus of the California Pacific Medical Center, now the Mission/Bernal campus of California Pacific Medical Center, and \$3,362,205 restricted for general charitable purposes to improve the general health and welfare of the San Francisco community served by the hospital.

Grants made totaled \$761,552 and \$836,400 for the years ended December 31, 2025 and 2024, respectively. These grants have positively affected over 100,000 Bay Area residents experiencing poverty and homelessness.

Note 2

Summary of Significant Accounting Policies

Basis of Accounting and Consolidation:

The accompanying consolidated financial statements include the accounts of Episcopal Impact Fund and Affiliate, after elimination of intercompany accounts and transactions. The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation:

In accordance with Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities*, the Organization reports information regarding its financial position and its activities according to the following net asset classifications:

- Without donor restrictions including board designated amounts.
- With donor restrictions. Net assets with donor restrictions are reclassified to without donor restrictions upon satisfaction of the time or purpose restrictions.

Cash and Cash Equivalents:

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentration of Credit Risk:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and marketable securities. The Organization maintains cash balances at one commercial bank, and these balances can at times exceed the Federal Deposit Insurance Corporation (FDIC) deposit limit of \$250,000 per institution. At December 31, 2025, the Organization's cash balances held at the commercial bank exceeded the FDIC limit by \$400,800. At December 31, 2024, cash balances held did not exceed the FDIC limit. The Organization has not experienced any losses through the date when the consolidated financial statements were available for release.

Investments:

Investments are recorded at cost, if purchased, or at fair value on the date of donation, if donated. All mutual funds held by the Organization are considered to be trading securities and are reported at fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Fair Value Measurements:

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs consist of quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, and observable inputs other than quoted prices for the assets.
- Level 3 inputs are unobservable inputs developed based on the best information available and reflect assumptions market participants would use in valuing the asset or liability.

**EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Organization are considered to be actively traded.

Contributions and Pledges Receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities and changes in net assets. The allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2025 and 2024, the allowance was \$90,500 and \$0, respectively.

Property and Equipment:

The Organization capitalizes property and equipment with an estimated useful life in excess of one year. Property and equipment is carried at cost or, if donated, at the estimated fair value on the date of the contribution. Maintenance and repair costs are expensed. Depreciation is provided over the useful lives of the respective assets on a straight-line basis. Useful lives are 7 years for furniture and 3 years for the website, computer equipment, and software.

Revenue Recognition:

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Functional Expenses:

The costs of providing program and supporting services have been summarized on a functional basis in the consolidated statements of functional expenses. Expenses that can be identified with a specific program or supporting service are allocated directly. Common expenses, such as printing, insurance, and depreciation, are allocated based on salaries and usage.

**EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

Income Taxes:

The Organization is exempt from federal income taxes and franchise taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and 23701(d) of California Revenue and Taxation Code, respectively. Accordingly, no provision for federal income taxes is required. The Organization applies the guidance on accounting for uncertain tax provisions in FASB ASC 740 (Financial Accounting Standards Board Accounting Standards Codification) *Income Taxes*. The Organization is no longer subject to income tax examinations for tax years up to and including 2022 for federal and 2021 for the state of California.

The Organization is required to submit annual federal and state information returns. The Internal Revenue Service has determined that the Organization is not a private foundation.

Nature of Estimates:

The preparation of consolidated 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 those estimates.

Grant Expenses:

Grant expenses are recognized when a payment is made to a grantee, or in the period the grantee is notified of the award, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments.

Reclassifications:

Certain reclassifications have been made to the prior year consolidated financial statements in order to make prior year amounts comparable to those of the current year. Such reclassifications had no effect on previously reported net assets or changes in net assets.

Note 3

Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following as of December 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,286,854	\$ 1,405,367
Current pledges receivable, net of discount	154,982	302,028
Investments	847,894	276,308
Endowment spending	<u>181,013</u>	<u>163,212</u>
Available for general expenditures	<u>\$ 2,470,743</u>	<u>\$ 2,146,915</u>

EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note 3

Liquidity and Availability of Resources (Continued)

Cash available for general use excludes money markets funds held in the investment portfolio. Endowment funds consist of donor-restricted amounts and funds designated by the Board as endowments. Income from donor-restricted endowments may be restricted for specific purposes and not available for general expenditures. The board designated endowment spending is based on the spending policy as described in Note 8. Although the Organization does not intend to spend additional amounts from this board-designated endowment, these amounts could be made available if necessary.

Note 4

Note Receivable

The Organization issued a \$200,000 non-interest bearing note receivable to an unaffiliated non-profit organization in November 2024. The note is payable in installments of \$16,667, and is expected to be paid in full by the end of March 2026. At December 31, 2025 and 2024, the outstanding balances were \$66,673 and \$183,333, respectively.

Note 5

Investments

Investments consisted of the following at December 31:

<u>Assets at Fair Value as of December 31, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Domestic bond mutual funds	\$ 6,560,861	\$ -	\$ -	\$ 6,560,861
Domestic equity mutual funds	13,371,075	-	-	13,371,075
International equity mutual funds	<u>3,730,935</u>	<u>-</u>	<u>-</u>	<u>3,730,935</u>
Total assets at fair value	<u>\$ 23,662,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,662,871</u>

<u>Assets at Fair Value as of December 31, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Domestic bond mutual funds	\$ 4,950,238	\$ -	\$ -	\$ 4,950,238
International bond mutual funds	2,081,684	-	-	2,081,684
Domestic equity mutual funds	8,755,242	-	-	8,755,242
International equity mutual funds	<u>4,842,078</u>	<u>-</u>	<u>-</u>	<u>4,842,078</u>
Total assets at fair value	<u>\$ 20,629,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,629,242</u>

There were no significant transfers between the levels during the year.

The Organization's policy is to recognize transfers in and out of the levels at the end of the fiscal year; interim changes in the availability of fair value inputs are not recognized.

During the years ended December 31, 2025 and 2024, the Organization received and recognized \$60,354 and \$14,754 in stock donations and were included in contributions on the consolidated statements of activities.

EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note 5

Investments (Continued)

Net investment income consisted of the following for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 1,436,251	\$ 1,023,499
Realized gains	41,124	308,331
Unrealized gains	1,977,090	424,524
Less: investment expenses	<u>(99,235)</u>	<u>(51,316)</u>
Totals	<u>\$ 3,355,230</u>	<u>\$ 1,705,038</u>

Reported on Consolidated Statements of Activities as:

Investment income, net	\$ 1,337,016	\$ 972,183
Long-term investment gains and losses	<u>2,018,214</u>	<u>732,855</u>
Totals	<u>\$ 3,355,230</u>	<u>\$ 1,705,038</u>

Note 6

Pledges Receivable

Pledges receivable consisted of the following:

December 31, 2025	<u>Current</u>	<u>Due in 2 to 4 Years</u>	<u>Total</u>
With donor restrictions	\$ 20,000	\$ -	\$ 20,000
Without donor restrictions	240,970	140,500	381,470
Allowance for doubtful accounts	(90,500)	-	(90,500)
Discount to present value	<u>(15,488)</u>	<u>(10,832)</u>	<u>(26,320)</u>
	<u>\$ 154,982</u>	<u>\$ 129,668</u>	<u>\$ 284,650</u>

December 31, 2024	<u>Current</u>	<u>Due in 2 to 4 Years</u>	<u>Total</u>
With donor restrictions	\$ 100,000	\$ -	\$ 100,000
Without donor restrictions	214,000	328,000	542,000
Discount to present value	<u>(11,972)</u>	<u>(26,393)</u>	<u>(38,365)</u>
	<u>\$ 302,028</u>	<u>\$ 301,607</u>	<u>\$ 603,635</u>

Pledges receivable are stated at their net present values. Management has discounted these promises to give based on 2.81% and 1.04% discount rates, the mid-term U.S Treasury rates at December 31, 2025 and 2024, respectively. The present value discount will be recognized in income as a contribution over the period from the date the promise was made to the date of collection.

EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note 7
Property and Equipment

The following is a summary of property and equipment at cost at December 31:

	<u>2025</u>	<u>2024</u>
Furniture	\$ 1,258	\$ 1,258
Website	11,288	11,288
Computer	<u>49,909</u>	<u>49,909</u>
	62,455	62,455
Less: accumulated depreciation	<u>(62,455)</u>	<u>(62,200)</u>
Property and equipment, net	<u>\$ -</u>	<u>\$ 255</u>

Depreciation expense for the years ended December 31, 2025 and 2024, totaled \$255 and \$739, respectively.

Note 8
Endowment

As required by professional accounting standards, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and board designations. Endowment funds comprised the following:

December 31, 2025	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Board Designated	\$ 3,620,252	\$ -	\$ 3,620,252
Donor Restricted Endowment Funds	<u>-</u>	<u>20,314,716</u>	<u>20,314,716</u>
Totals	<u>\$ 3,620,252</u>	<u>\$ 20,314,716</u>	<u>\$ 23,934,968</u>

December 31, 2024	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Board Designated	\$ 3,263,989	\$ -	\$ 3,263,989
Donor Restricted Endowment Funds	<u>-</u>	<u>18,085,905</u>	<u>18,085,905</u>
Totals	<u>\$ 3,263,989</u>	<u>\$ 18,085,905</u>	<u>\$ 21,349,894</u>

EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note 8
Endowment (Continued)

Net changes in endowment funds were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, December 31, 2023	\$ <u>3,138,221</u>	\$ <u>17,461,243</u>	\$ <u>20,599,464</u>
Investment return:			
Interest and dividends	156,380	867,117	1,023,497
Net realized/unrealized gains	104,438	627,068	731,506
Investment fees	<u>(6,958)</u>	<u>(44,357)</u>	<u>(51,315)</u>
Total investment return	253,860	1,449,828	1,703,688
Contributions	-	10,871	10,871
Appropriations	<u>(128,092)</u>	<u>(836,037)</u>	<u>(964,129)</u>
Net change	<u>125,768</u>	<u>624,662</u>	<u>750,430</u>
Balance, December 31, 2024	<u>3,263,989</u>	<u>18,085,905</u>	<u>21,349,894</u>
Investment return:			
Interest and dividends	207,188	1,217,818	1,425,006
Net realized/unrealized gains	279,121	1,748,996	2,028,117
Investment fees	<u>(14,330)</u>	<u>(84,905)</u>	<u>(99,235)</u>
Total investment return	471,979	2,881,909	3,353,888
Contributions	-	21,350	21,350
Appropriations	<u>(115,716)</u>	<u>(674,448)</u>	<u>(790,164)</u>
Net change	<u>356,263</u>	<u>2,228,811</u>	<u>2,585,074</u>
Balance, December 31, 2025	\$ <u><u>3,620,252</u></u>	\$ <u><u>20,314,716</u></u>	\$ <u><u>23,934,968</u></u>

Interpretation of Relevant Law:

The Organization has interpreted Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009, in California, as requiring the preservation of the original gift value, as of the gift date, of the donor-restricted endowment assets.

Investment Policy:

The Organization has adopted an investment objective of long-term growth and income. This balanced approach seeks to earn long-term returns sufficient to grow the purchasing power of the funds while providing a substantial source of cash flow in support of the Organization's grants and operations. The portfolio aims for market rate returns based on a neutral target of 50% stocks, 20% bonds, 15% alternative investments, 10% real property assets and 5% cash equivalents. The Organization expects to earn an average annual real rate of return, after inflation and fees, of 4% over a market cycle. Actual returns in a given year may vary from this target.

**EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

Note 8

Endowment (Continued)

Spending Policy:

The State Uniform Prudent Management of Institutional Funds Act moves away from the concept of corpus with its "historical dollar value" in an endowment. Charities are encouraged to develop spending policies that are responsive to short term fluctuations in the value of the fund, preserve the value of the fund for future use, and honor the charitable purpose of the fund. Episcopal Impact Fund will continue to balance the endurance of its funds and the needs of the community in its granting policy and practices.

The Organization annually budgeted 4.50% of the rolling 12 quarter average endowment fund balance for grants and administrative expenses for each of the years ended December 31, 2025 and 2024, respectively.

Funds with Deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Episcopal Impact Fund to retain as a fund of perpetual duration. No fund deficiencies existed as of the years ended December 31, 2025 and 2024.

Note 9

Retirement Plan

The Organization participates in a defined contribution pension plan of the Episcopal Diocese of California (the "Plan"). The Plan covers all lay employees who have completed their service commitment as defined by the Plan and have attained the age of 18. The Organization contributes 5% of each participant's eligible compensation to the Plan and matches participant's contributions, dollar for dollar, up to another 4% of participant's compensation. Retirement plan expenses for the years ended December 31, 2025 and 2024, totaled \$30,671 and \$30,889, respectively.

Note 10

Related Party Transactions

The Organization's payroll and benefits are administered by the Episcopal Diocese of California. Total expenditures with the Diocese were \$368,924 and \$384,274 for the years ended December 31, 2025 and 2024, respectively. Amounts due to the Diocese at December 31, 2025 and 2024 were \$59,646 and \$40,319, respectively. Refer also to Note 13 for contributions and receivables from the Diocese.

Note 11

Net Assets Without Donor Restrictions

Net assets without restrictions consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Available for operations	\$ 1,251,819	\$ 1,409,077
Board designated for endowment purposes	<u>3,620,252</u>	<u>3,263,989</u>
Net assets without donor restrictions	<u>\$ 4,872,071</u>	<u>\$ 4,673,066</u>

There were no additional Board designations during the years ended December 31, 2025 and 2024. Appropriations from the board designated endowment funds are made as part of the annual budgeting process.

**EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

Note 12

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2025:

	Balance December 31, 2024	Contributions	Investment Income	Released from Restrictions	Balance December 31, 2025
Endowment funds:					
Outreach programs	\$ 692,289	\$ -	\$ 100,617	\$ (14,397)	\$ 778,509
Health research	238,587	-	34,681	(15,767)	257,501
Ministries	792,406	-	115,174	(31,783)	875,797
Dependency programs	121,795	-	17,704	(18,987)	120,512
Episcopal Impact Fund	21,842	18,107	-	-	39,949
Freeman Housing Fund	509,404	3,243	67,979	(9,468)	571,158
The Brotherton Fund:					
St. Luke's Hospital	11,934,620	-	1,963,535	(495,325)	13,402,830
Social Welfare	<u>3,774,962</u>	<u>-</u>	<u>582,219</u>	<u>(88,721)</u>	<u>4,268,460</u>
TOTAL	<u>\$ 18,085,905</u>	<u>\$ 21,350</u>	<u>\$ 2,881,909</u>	<u>\$ (674,448)</u>	<u>\$ 20,314,716</u>

Net assets with donor restrictions consisted of the following at December 31, 2024:

	Balance December 31, 2023	Contributions	Investment Income	Released from Restrictions	Balance December 31, 2024
Endowment funds:					
Outreach programs	\$ 653,593	\$ -	\$ 53,034	\$ (14,338)	\$ 692,289
Health research	236,578	-	19,199	(17,190)	238,587
Ministries	759,348	-	61,617	(28,559)	792,406
Dependency programs	120,745	-	9,799	(8,749)	121,795
Episcopal Impact Fund	17,105	4,737	-	-	21,842
Freeman Housing Fund	490,260	6,134	19,105	(6,095)	509,404
The Brotherton Fund:					
St. Luke's Hospital	11,611,024	-	992,717	(669,121)	11,934,620
Social Welfare	<u>3,572,590</u>	<u>-</u>	<u>294,357</u>	<u>(91,985)</u>	<u>3,774,962</u>
TOTAL	<u>\$ 17,461,243</u>	<u>\$ 10,871</u>	<u>\$ 1,449,828</u>	<u>\$ (836,037)</u>	<u>\$ 18,085,905</u>

Note 13

Episcopal Diocese Capital Campaign

The Organization is an identified beneficiary of the capital campaign conducted by the Episcopal Diocese of California. During the years ended December 31, 2025 and 2024, the Organization received \$33,195 and \$721,524 of contributions from the campaign, respectively. As of December 31, 2025 and 2024, pledges receivable includes \$154,000 and \$308,000 due from the Diocese, respectively.

**EPISCOPAL IMPACT FUND AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

Note 14

Subsequent Events

Management considered all events through September 23, 2026, the date the consolidated financial statements were available for release, in preparing the consolidated financial statements and the related disclosures. The Organization is not aware of any other significant events that occurred subsequent to December 31, 2025, but prior to the issuance of this report, that would have a material impact on the consolidated financial statements.