CHILDREN'S ORGAN TRANSPLANT ASSOCIATION, INC.

FINANCIAL STATEMENTS

June 30, 2026 and 2025

CHILDREN'S ORGAN TRANSPLANT ASSOCIATION, INC.
Bloomington, Indiana

FINANCIAL STATEMENTS
June 30, 2026 and 2025

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Children's Organ Transplant Association, Inc.
Bloomington, Indiana

Opinion

We have audited the financial statements of Children's Organ Transplant Association, Inc. (COTA), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related 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 financial statements present fairly, in all material respects, the financial position of COTA as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 COTA 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.

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 COTA's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

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 COTA'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 COTA'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.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
September 14, 2026

CHILDREN'S ORGAN TRANSPLANT ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2026 and 2025

	2026	2025
ASSETS		
Cash and cash equivalents	$ 891,109	$ 180,927
Interest receivable	417,076	346,009
Pledges and grants receivable, net (Note 2)	975,896	95,104
Prepaids and other assets	77,302	95,965
Investments (Note 5)	47,544,830	43,949,252
Property and equipment, net (Note 4)	464,630	437,685
	$ 50,370,843	$ 45,104,942
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 195,086	$ 148,365
Deferred revenue	11,094	26,917
Line of credit payable (Note 7)	34,875	-
Note payable	-	11,371
	241,055	186,653
Net assets		
Without donor restrictions	2,039,181	(21,952)
Without donor restrictions, board designated	2,513,052	2,513,052
Total without donor restrictions	4,552,233	2,491,100
With donor restrictions	45,577,555	42,427,189
	50,129,788	44,918,289
	$ 50,370,843	$ 45,104,942

See accompanying notes to financial statements.

CHILDREN'S ORGAN TRANSPLANT ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions and grants	$ 988,905	$ 6,943,195	$ 7,932,100	$ 539,695	$ 4,300,415	$ 4,840,110
In-kind contributions	30,295	-	30,295	29,941	-	29,941
Other fundraising income	362,732	-	362,732	194,975	-	194,975
Interest and dividend income (net of investment expenses of $184,116 and $177,429, respectively)	2,139,591	5,223	2,144,814	1,909,700	7,763	1,917,463
Realized and unrealized gain on investments	1,734,683	221,376	1,956,059	785,033	66,716	851,749
Lease income and other	199,375	-	199,375	141,481	-	141,481
Releases from restrictions	4,019,428	(4,019,428)	-	3,963,259	(3,963,259)	-
Total revenue	9,475,009	3,150,366	12,625,375	7,564,084	411,635	7,975,719
EXPENSES						
Patient campaign program	5,878,545	-	5,878,545	5,612,582	-	5,612,582
Management and general	785,089	-	785,089	829,544	-	829,544
Fundraising	750,242	-	750,242	625,048	-	625,048
Total expenses	7,413,876	-	7,413,876	7,067,174	-	7,067,174
Changes in net assets	2,061,133	3,150,366	5,211,499	496,910	411,635	908,545
Net assets, beginning of year	2,491,100	42,427,189	44,918,289	1,994,190	42,015,554	44,009,744
Net assets, end of year	$ 4,552,233	$ 45,577,555	$ 50,129,788	$ 2,491,100	$ 42,427,189	$ 44,918,289

See accompanying notes to financial statements.

CHILDREN'S ORGAN TRANSPLANT ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2026 (with summary totals for the year ended June 30, 2025)

	Patient Campaign	Management and General	Fundraising	2026 Total	2025 Total
Salaries and wages	$ 1,011,447	$ 392,123	$ 306,956	$ 1,710,526	$ 1,664,466
Payroll taxes	70,601	27,410	21,452	119,463	114,919
Employee benefits	247,947	99,324	76,397	423,668	383,193
Professional services and fees	211,844	155,976	97,094	464,914	346,326
Transplant patient-related expenses	4,019,428	-	-	4,019,428	3,963,259
Travel	66,849	37,350	37,234	141,433	135,403
Certification fees	19,916	-	-	19,916	18,094
Advertising	71,553	2,295	11,509	85,357	91,626
Utilities	7,408	2,888	2,264	12,560	8,239
Insurance	17,064	6,558	5,132	28,754	12,533
Repairs and maintenance	22,806	14,960	5,979	43,745	16,328
Depreciation	35,169	13,710	10,729	59,608	63,784
Contracted services	100	-	-	100	14,918
In-kind expenses	30,295	-	-	30,295	29,941
Supplies and office equipment	4,069	12,810	1,616	18,495	28,399
Postage	7,269	3,771	2,588	13,628	13,555
Telephone	6,736	8,236	1,758	16,730	15,795
Miracle Maker event	-	-	167,148	167,148	130,266
Miscellaneous	28,044	7,678	2,386	38,108	16,130
	$ 5,878,545	$ 785,089	$ 750,242	$ 7,413,876	$ 7,067,174

See accompanying notes to financial statements.

CHILDREN'S ORGAN TRANSPLANT ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2025

	Patient Campaign	Management and General	Fundraising	2025 Total
Salaries and wages	$ 965,390	$ 432,762	$ 266,314	$ 1,664,466
Payroll taxes	66,653	29,879	18,387	114,919
Employee benefits	219,120	103,632	60,441	383,193
Professional services and fees	148,117	133,451	64,758	346,326
Transplant patient-related expenses	3,963,259	-	-	3,963,259
Travel	68,367	32,916	34,120	135,403
Certification fees	18,094	-	-	18,094
Advertising	63,462	1,070	27,094	91,626
Utilities	4,778	2,143	1,318	8,239
Insurance	7,269	3,259	2,005	12,533
Repairs and maintenance	1,978	14,350	-	16,328
Depreciation	36,995	16,584	10,205	63,784
Contracted services	-	14,918	-	14,918
In-kind expenses	29,941	-	-	29,941
Supplies and office equipment	4,638	22,668	1,093	28,399
Postage	7,954	3,343	2,258	13,555
Telephone	6,567	7,794	1,434	15,795
Miracle Maker event	-	-	130,266	130,266
Miscellaneous	-	10,775	5,355	16,130
	$ 5,612,582	$ 829,544	$ 625,048	$ 7,067,174

See accompanying notes to financial statements.

CHILDREN'S ORGAN TRANSPLANT ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities		
Changes in net assets	$ 5,211,499	$ 908,545
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	59,608	63,784
Realized and unrealized gains on investments	(1,956,059)	(851,749)
Contributions restricted for long term investment	(163,633)	(4,940)
Gain on trade-in of asset	(14,000)	-
Change in assets and liabilities:		
Interest receivable	(71,067)	(11,009)
Pledges and grants receivable	(880,792)	339,311
Prepaids and other assets	18,663	(12,629)
Accounts payable and accrued expenses	46,721	9,122
Deferred revenue	(15,823)	(50,029)
Net cash from operating activities	2,235,117	390,406
Cash flows from investing activities		
Purchase of property and equipment	(72,553)	(3,199)
Proceeds from sale of investments	10,531,439	13,466,739
Purchase of investments	(12,170,958)	(13,710,189)
Net cash from investing activities	(1,712,072)	(246,649)
Cash flows from financing activities		
Proceeds from contributions restricted for long term investment	163,633	4,940
Payments on note payable	(11,371)	(6,728)
Proceeds from line of credit	1,177,886	328,246
Payments on line of credit	(1,143,011)	(414,708)
Net cash from financing activities	187,137	(88,250)
Net change in cash and cash equivalents	710,182	55,507
Cash and cash equivalents at beginning of year	180,927	125,420
Cash and cash equivalents at end of year	$ 891,109	$ 180,927
Supplemental disclosure of cash flow information		
Interest paid	$ 1,385	$ 3,193
Supplemental disclosure of non-cash transactions		
In-kind contributions	$ 30,295	$ 29,941
Gain on trade-in of asset	14,000	-

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Children's Organ Transplant Association, Inc. (COTA) was incorporated as a not-for-profit organization in 1986 under the laws of the State of Indiana. Throughout the United States, COTA helps families with children and young adults in need of life-saving transplants by providing fundraising assistance and family support. COTA also educates the public regarding the need for organ and tissue donations.

COTA is made up of a Board of Directors and a dedicated staff. The Board sets the direction of COTA, makes policies, and reviews the status of the organization on a regular basis. The staff implements the direction and policy set by the Board and runs the day-to-day operations of COTA. Staff duties include the management of the national headquarters; the organization and development of new campaigns; continuing support of existing campaigns; financial accounting and reporting for community campaigns; the training and support of volunteer corps; promotions and public relations of COTA; and the development of national fundraising programs to run the organization.

Acquisition of Transplant Families: On June 6, 2026, COTA acquired Transplant Families, a not-for-profit organization whose primary activities included providing resources, connection, and hope for families navigating pediatric transplantation. The acquisition was undertaken to better serve the community since the two entities served a common purpose. No consideration was transferred by COTA in connection with the acquisition.

As a result of the acquisition, COTA recognized assets acquired of approximately $21,000 and liabilities assumed of approximately $6,000 at their acquisition-date values. The acquisition resulted in an inherent contribution of approximately $14,000. The results of the acquired organization have been included in COTA's financial statements beginning on the acquisition date.

Basis of Presentation: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Income Taxes: COTA is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, COTA has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code.

COTA is subject to income taxes on income generated from activities that are unrelated to its exempt purpose. COTA did not pay any unrelated business income taxes for the years ended June 30, 2026 and 2025.

Financial Accounting Standards Board (FASB) guidance states that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit will be recorded.

COTA does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. COTA recognizes interest and/or penalties related to income tax matters in income tax expense. COTA did not have any amounts accrued for interest and penalties at June 30, 2026 and 2025.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on the actual direct expenditures and cost allocations based upon estimates by COTA, which includes time allocation.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates in Preparation of Financial Statements: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to $250,000 per financial institution. Additionally, for purposes of the statement of cash flows, COTA considers all highly liquid investments purchased with an original maturity of 12 months or less to be cash equivalents. From time to time COTA's cash balances exceed federally insured limits.

Investments: Investments are recorded at fair value based on estimates made by the investment trust administrators using quoted market prices or the market prices of similar securities. Unit investment trusts and alternative investments, such as limited partnerships, are valued based upon net asset values (NAV) as reported by the investment manager or other unobservable inputs, as independent market valuations are not available. COTA believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Alternative investments are not readily marketable, and their estimated value is subject to uncertainty. Therefore, there may be a material difference between their estimated value and the value that would have been used had a readily determinable fair value for such investments existed.

Investments are initially recorded at cost if they were purchased or at their fair value on the date of the gift if they were received as a donation. Unrealized gains and losses on investments are included in the statements of activities.

COTA's Board of Directors has approved an investment policy statement with which the Board intends to preserve investment capital and meet the cash flow needs of the organization.

Pledges and Grants Receivable: Pledges and grants receivable represent the remaining balance of unconditional promises to give that have not yet been paid. Pledges and grants that are expected to be collected within one year or less are recorded at net realizable value. Pledges and grants that are expected to be collected beyond one year are recorded at the present value of their estimated future cash flows. The pledges and grants have been discounted using a risk-weighted interest rate applicable during the time the pledge was made. Changes in the pledge and grant discounts are recognized as contribution revenue each year until the pledge is paid in full. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Allowance for Uncollectible Pledges and Grants: The allowance for uncollectible pledges and grants is determined by management based upon COTA's historical losses, specific circumstances and general economic conditions. Periodically, management reviews receivables and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with COTA's collection policy. An allowance for uncollectible pledges and grants of $10,000, and $0 was recorded as of June 30, 2026 and 2025.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Property and equipment are stated at cost or, if donated to COTA, at fair value on the date of acquisition. Additions and improvements are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method. COTA has a capitalization policy that states that all property and equipment in excess of $1,000 are to be capitalized and depreciated. The estimated useful lives are as follows:

	Years
Building and improvements	10-40
Office furniture, equipment, and website	3-10

Impairment of Long-Lived Assets: On an ongoing basis, COTA reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. COTA recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2026 and 2025, management believes that no impairments existed.

Net Assets Without Donor Restrictions: Net assets without donor restrictions represents contributions by donors and other revenues and all related expenses that the Board of Directors has discretionary control to use in carrying on the operations of COTA.

Net Assets Without Donor Restrictions, Board Designated: The Board of Directors has designated certain net assets without donor restrictions as the "Vernon B. Smith Memorial Fund." These funds are to be used at the discretion of the Board of Directors.

Net Assets With Donor Restrictions: Net assets with donor restrictions are those net assets whose use has been limited by donors to later periods or for specified purposes. Net assets with donor restrictions of a temporary nature are restricted by donor-imposed requirements that the funds be used for transplant-related expenses for patients served by COTA. COTA also has 74 accounts with donor restrictions of a temporary nature that require that the funds be used for transplant and transplant-related expenses for patients who reside within specific geographic areas or for patients with a specific diagnosis. Net assets are released from restrictions when used for the satisfaction of program restrictions. Net assets with donor restrictions to be kept in perpetuity are those net assets for which the donor has stipulated that the contribution be maintained in perpetuity as an endowment to support future operations and program activities. Donor-imposed restrictions limiting the use of assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Investment returns attributable to non-endowment funds with donor restrictions are not subject to donor restrictions and are recognized as increases or decreases in net assets without donor restrictions. Accordingly, such investment returns are available to support COTA's general operations and program activities.

Revenue Recognition: In accordance with GAAP, revenues are recognized when earned. All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as with donor restrictions of a temporary nature and released from restrictions.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions and Donated Services: In addition to receiving cash contributions, COTA on occasion receives in-kind contributions from various donors. It is the policy of COTA to record the estimated fair value of certain in-kind contributions as both revenue and expense for the programs or activities benefited. For the years ended June 30, 2026 and 2025, COTA received $30,295 and $29,941 of in-kind contributions, respectively.

Additionally, contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2026 and 2025, there were no donated services.

Advertising: Advertising costs are expensed during the period in which the advertising first took place.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2026 to determine the need for any adjustments or disclosures within the financial statements for the year ended June 30, 2026. Management has performed their analysis through September 14, 2026, the date the financial statements were available to be issued.

NOTE 2 - PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable at June 30, 2026 and 2025 are unconditional promises to give from various donors. In April 2026, COTA received a grant for $960,000, restricted for transplant related expenses for patients. The grant was receivable in scheduled installments over three years and has an outstanding balance of $670,000 and $0 at June 30, 2026 and 2025, respectively.

As of June 30, 2026 and 2025, COTA's total gross pledges and grants receivable balance was $985,896 and $95,104, respectively. As of June 30, 2026 and 2025, $635,896 of pledges and grants receivable were due within one year and $350,000 was due in fiscal year 2028. An allowance of $10,000 and $0 has been reported as of June 30, 2026 and 2025. As of June 30, 2026 and 2025, COTA's net pledges and grants receivable was $975,896 and $95,104, respectively.

NOTE 3 - PATIENT ACCOUNTS

A patient relationship is initiated by a family requesting assistance from COTA to help organize a fundraising campaign. The family signs a contract (patient agreement) which gives COTA the right to raise funds on behalf of the patient and use the patient's picture and story as promotional material. COTA works with community volunteers to organize a campaign to raise funds to cover the costs of transplant and related costs.

At the start of the campaign, a volunteer designated by the family coordinates community fundraising efforts and sends proceeds to the COTA corporate office. In addition, most donors send contributions directly to COTA's office. The funds are recorded as contributions with donor restrictions in COTA's accounting system when deposited.

Contributions received from donors with a restriction that they be used for patient transplant related expenses are allocated to specific patient accounts according to set procedures approved and reviewed by COTA's Allocation Committee, a standing committee of the Board of Directors, three times each year. The allocations are based upon the estimated cost of the transplant that is needed by the patient. As transplant-related expenses are incurred by the patients, the funds are released from restriction.

(Continued)

NOTE 3 - PATIENT ACCOUNTS (Continued)

As patients are treated, transplant-related expenses will be reviewed for payment by COTA. If a patient passes away and after all transplant-related expenses are considered, the money remaining is also reallocated to a pool that is available for meeting approved expenses of other patient accounts. In addition to transplant expenses, these funds also pay for patient websites, merchant fees, and general emergency grants for patients. For the years ended June 30, 2026 and 2025, transplanted-related expenses were $4,019,428 and $3,963,259, respectively. The COTA staff and Allocations Committee reviews the funding needs of patients regularly and allocates funds to patient accounts as the needs arise. On an annual basis the needs of past patients are reviewed for possible allocations. For the years ended June 30, 2026 and 2025, reallocations from the pool of funds from deceased patients were $308,301 and $167,728, respectively.

In addition to community fundraising campaigns, COTA regularly solicits and receives gifts from individuals, corporate donors, membership organizations, and grants from foundations. These gifts vary in restrictions for transplant related expenses to specific states, diagnoses, specific organs, or other donor-requested restrictions.

Though COTA is dedicated to ensuring that no child is excluded from a life-saving transplant because of a lack of funds, COTA is not legally required by contract to cover all transplant-related expenses. When COTA provides additional funding to a patient's campaign, COTA may utilize funds from the patient reallocation fund and the Vernon B. Smith Memorial Fund at its discretion.

At June 30, 2026 and 2025, COTA had 2,933 and 2,835 active patient accounts, representing $44,920,905 and $41,934,172 of net assets with donor restrictions of a temporary nature. For the years ended June 30, 2026 and 2025, COTA had contributions with donor restrictions for transplant-related expenses of $6,943,195 and $4,300,415, respectively.

Some health care providers may require a commitment from COTA to cover the transplant expense for an individual so that the hospital is assured that it will be paid for its services. After COTA has made a commitment to a health care provider for an individual patient, they continue to work with the community volunteers to raise money to cover the commitment made by COTA and other costs. As of June 30, 2026 and 2025, no significant patient commitments are outstanding.

When the transplant has taken place, but the community volunteers have not raised enough money to cover COTA's commitment, then COTA records a contribution expense and guarantee liability on the statement of financial position. As of June 30, 2026 and 2025, no guarantee liabilities are outstanding.

NOTE 4 - PROPERTY AND EQUIPMENT

COTA's property and equipment are as follows at June 30:

	2026	2025
Land	$ 80,645	$ 80,645
Buildings and improvements	895,483	895,483
Office furniture, equipment, and website	538,960	588,830
	1,515,088	1,564,958
Accumulated depreciation	(1,050,458)	(1,127,273)
	$ 464,630	$ 437,685

(Continued)

NOTE 5 - INVESTMENTS

COTA's investments at fair value consist of the following at June 30:

	2026	2025
Money market funds	$ 430,774	$ 352,423
Municipal bonds	2,302,873	2,306,284
Corporate bonds	26,291,553	25,670,412
U.S. treasury securities	1,012,098	845,997
Exchange traded funds	7,007,780	5,433,274
Mutual funds	357,303	264,424
Equities and options	5,398,484	4,816,531
Preferred equities	2,005,846	2,049,164
Asset-backed securities	61,514	85,352
Unit investment trusts	2,600,890	2,021,622
Limited partnerships	75,715	103,769
	$ 47,544,830	$ 43,949,252

Investment return is comprised of the following at June 30:

	2026	2025
Interest and dividend income, net of investment expenses of $184,116 and $177,429 for 2026 and 2025, respectively	$ 2,144,814	$ 1,917,463
Realized gains on sale of investments	$ 582,132	$ 302,163
Unrealized gains on investments	1,373,927	549,586
Realized and unrealized gains on investments	$ 1,956,059	$ 851,749

The various investments in bonds, exchange traded funds, mutual funds, equities and other investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in COTA's financial statements.

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in COTA's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

(Continued)

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair values of equities, mutual funds, money market funds, exchange traded funds, and certain unit investment trusts are based on quoted prices on nationally recognized securities exchanges. COTA's investments in closed unit investment trusts are held as part of their larger portfolio of investments and the investment strategy of the underlying investments vary. The trusts have termination dates ranging through March 2027, however, there are no liquidation restrictions and the investments can be liquidated on a daily basis. (Level 1 inputs)

The fair value of corporate and municipal bonds, U.S. treasury securities, preferred equities, and asset-backed securities are based on inputs that are observable, but not active using the market approach. These inputs include matrix pricing models and comparison to prices of similar assets. (Level 2 inputs)

The fair value of some unit investment trusts and alternative investments, such as limited partnerships, are based upon the NAV or its equivalent using the market method, as reported by the investment manager, with additional analysis performed by management, as such investments have significant unobservable valuation inputs and are excluded from the valuations hierarchy. Due to current market conditions as well as limited trading activity of these securities, the fair value of the securities is highly sensitive to assumption changes and market volatility. The market approach is used to determine fair value.

COTA held an investment in one limited partnership as of June 30, 2026 and 2025, which is classified as an energy royalty contract partnership.

- Energy royalties is comprised of one limited partnership whose strategy is to purchase energy related royalty rights contracts (primarily oil and gas). No liquidation date has been set for this limited partnership; however, management has estimated that it will be liquidated in 10 to 15 years.

Currently there are no unfunded commitments to the one limited partnership in which COTA is invested.

(Continued)

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following table summarizes COTA's investments that are measured at fair value on a recurring basis as of June 30, 2026 and 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2026				
Money market funds	$ 430,774	$ -	$ -	$ 430,774
Municipal bonds	-	2,302,873	-	2,302,873
Corporate bonds	-	26,291,553	-	26,291,553
U.S. treasury securities	-	1,012,098	-	1,012,098
Exchange traded funds	7,007,780	-	-	7,007,780
Mutual funds:				
Fixed income	168,110	-	-	168,110
REITs	189,193	-	-	189,193
Equities:				
Large cap and options	5,398,484	-	-	5,398,484
Preferred equities	-	2,005,846	-	2,005,846
Asset-backed securities	-	61,514	-	61,514
Unit investment trusts	1,349,494	-	-	1,349,494
	$ 14,543,835	$ 31,673,884	$ -	46,217,719
Investments valued at NAV:				
Closed unit investment trusts				1,251,396
Limited partnerships:				
Energy royalties				75,715
				$ 47,544,830
2025				
Money market funds	$ 352,423	$ -	$ -	$ 352,423
Municipal bonds	-	2,306,284	-	2,306,284
Corporate bonds	-	25,670,412	-	25,670,412
U.S. treasury securities	-	845,997	-	845,997
Exchange traded funds	5,433,274	-	-	5,433,274
Mutual funds:				
Fixed income	166,111	-	-	166,111
REITs	98,313	-	-	98,313
Equities:				
Large cap and options	4,816,531	-	-	4,816,531
Preferred equities	-	2,049,164	-	2,049,164
Asset-backed securities	-	85,352	-	85,352
Unit investment trusts	1,181,822	-	-	1,181,822
	$ 12,048,474	$ 30,957,209	$ -	43,005,683
Investments valued at NAV:				
Closed unit investment trusts				839,800
Limited partnerships:				
Energy royalties				103,769
				$ 43,949,252

(Continued)

NOTE 7 - LINE OF CREDIT

COTA has an unsecured line of credit at a local bank which provides for borrowings of up to $500,000. Interest is charged on amounts borrowed at a rate of 6.75% and 7.50% at June 30, 2026 and 2025, respectively. The line of credit expired on March 28, 2026 and was renewed through March 28, 2027. The outstanding balance on the line of credit was $34,875 and $0 at June 30, 2026 and 2025, respectively. Interest expense was $1,385 and $3,193 for the years ended June 30, 2026 and 2025, respectively.

NOTE 8 - EMPLOYEE BENEFITS

For the years ended June 30, 2026 and 2025, COTA sponsored two defined contribution retirement plans. Contributions to both plans are made for all employees with at least one year of service. The first plan requires mandatory employer contributions of 7% of each eligible employee's total compensation. Contributions under the second plan are a matching contribution by COTA. Each eligible employee may contribute up to the IRS limits of his or her salary and COTA will match 4% of their contribution. Considering both defined contribution plans, the maximum amount contributed by COTA cannot exceed 11% of each eligible employee's compensation. Employee benefit expense under these plans was $157,145 and $162,166 for the years ended June 30, 2026 and 2025, respectively.

NOTE 9 - OPERATING LEASE AS LESSOR

COTA has entered into a lease agreement as the lessor of a portion of their headquarters building beginning September 13, 2013, through September 12, 2023. On July 21, 2026, the lessee exercised the right to extend the lease to September 30, 2029. The lessee has the option to extend the term for one additional term of three years. The cost of insurance, taxes, and maintenance are paid by the lessee. Other expenses related to the lease are included in COTA's general and administrative expense.

Total minimum rentals to be collected under the operating lease with noncancelable lease terms as of June 30, 2026 over future fiscal years are:

2027	$ 137,104
2028	142,583
2029	148,286
2030	37,431
	$ 465,404

NOTE 10 - ENDOWMENT COMPOSITION

COTA's endowment consists of donor-restricted funds for operational or patient-related needs.

Interpretation of Relevant Law: The Board of Directors of COTA have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in the State of Indiana, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, COTA classifies as net assets with donor restrictions to be kept in perpetuity the original value of gifts donated to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions to be kept in perpetuity is classified as net assets with donor restrictions of a temporary nature until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

(Continued)

NOTE 10 - ENDOWMENT COMPOSITION (Continued)

In accordance with UPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of COTA and the donor-restricted endowment fund
(3) General economic conditions and the possible effect of inflation and deflation
(4) The expected total return from income and the appreciation of investments
(5) The investment policies of COTA and other resources of COTA

Endowment net asset composition by type of fund as of June 30, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ -	$ 1,497,337	$ 1,497,337

Endowment net asset composition by type of fund as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ -	$ 1,107,105	$ 1,107,105

Changes in endowment net assets for year ended June 30, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$ -	$ 1,107,105	$ 1,107,105
Investment income, net of fees	-	5,223	5,223
Net realized and unrealized gains	-	221,376	221,376
Investment gain, net	-	226,599	226,599
Contributions	-	163,633	163,633
Net assets, end of year	$ -	$ 1,497,337	$ 1,497,337

Changes in endowment net assets for year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$ -	$ 1,027,686	$ 1,027,686
Investment income, net of fees	-	7,763	7,763
Net realized and unrealized gains	-	66,716	66,716
Investment gain, net	-	74,479	74,479
Contributions	-	4,940	4,940
Net assets, end of year	$ -	$ 1,107,105	$ 1,107,105

(Continued)

NOTE 10 - ENDOWMENT COMPOSITION (Continued)

Return Objectives and Risk Parameters: COTA has adopted investment and spending policies for endowment assets that attempt to preserve and enhance the purchasing and earning value of the funds being invested, seek competitive investment performance, produce annual income, and produce growth to hedge inflation over time. COTA expects its endowment funds, over time, to provide an average rate of return of at least 5% plus CPI. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its objectives, COTA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). COTA targets a diversified asset allocation of fixed income, U.S. equities, real estate, and international equities to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: COTA has a policy of appropriating for distribution each year up to 5% of the endowment fund's average fair value of the three fiscal year ends preceding the fiscal year in which the distribution is planned. If the fair value of the assets falls below the principal, no amounts will be appropriated unless approved by the Board. This is consistent with COTA's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Endowment fund principal, unless otherwise directed by the donor, shall not be expended. For the years ended June 30, 2026 and 2025, no endowment draws were made.

NOTE 11 - LIQUIDITY AND AVAILABILITY

COTA's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2026	2025
Financial assets at year-end:		
Cash and cash equivalents	$ 891,109	$ 180,927
Interest receivable	417,076	346,009
Pledges and grants receivable, net (less than one year)	625,896	95,104
Investments	47,544,830	43,949,252
Total financial assets	49,478,911	44,571,292
Less amounts not available for general expenditure within one year:		
Board designated net assets	(2,513,052)	(2,513,052)
Donor restricted funds	(41,461,555)	(38,392,589)
	(43,974,607)	(40,905,641)
Financial assets available to meet general expenditures within one year	$ 5,504,304	$ 3,665,651

(Continued)

NOTE 11 - LIQUIDITY AND AVAILABILITY (Continued)

As part of COTA's liquidity management, COTA invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management only considers the amount budgeted from donor restricted funds for the next year to be available for general operations. For the years ended June 30, 2026 and 2025, COTA budgeted $4,116,000 and $4,034,600 of donor restricted funds, respectively, to be available for transplant patient-related expenses as part of the general operations in the next year. COTA has board designated net assets of $2,513,052 at June 30, 2026 and 2025. While these funds could be made available for general expenditures within the next year, the amount would first be subject to approval by the Board of Directors.

In addition, COTA has an unsecured line of credit at a local bank which provides for borrowings of up to $500,000. Available credit balances at June 30, 2026 and 2025 were $465,125 and $500,000, respectively.