COMMUNITY TRANSPORTATION NETWORK, INC.

FORT WAYNE, INDIANA

Financial Statements

as of June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Transportation Network, Inc.
Fort Wayne, Indiana

Opinion

We have audited the accompanying financial statements of Community Transportation Network, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 Community Transportation Network, Inc. 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. 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 Community Transportation Network, Inc. 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 Community Transportation Network, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Community Transportation Network, Inc.'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 Community Transportation Network, Inc.'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.

Leonard J. Andorfer & Co., LLP

LEONARD J. ANDORFER & CO., LLP
Certified Public Accountants
Fort Wayne, Indiana

October 12, 2026

COMMUNITY TRANSPORTATION NETWORK, INC.
Statements of Financial Position

ASSETS	June 30 2026	June 30 2025
Cash and cash equivalents	$ 122,596	$ 157,682
Receivables		
Contributions receivable	423,373	342,460
Accounts receivable	60,428	93,124
Prepaid expenses	49,302	43,669
Investments	576,749	65,362
Beneficial interest	16,247	13,730
Fixed assets - net	3,153,304	3,395,298
TOTAL ASSETS	$ 4,401,999	$ 4,111,325
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 65,614	$ 79,571
Accrued expenses	73,278	81,180
Notes payable	175,247	415,237
Total Liabilities	314,139	575,988
NET ASSETS		
Net Assets Without Donor Restrictions	3,185,054	2,904,008
Net Assets With Donor Restrictions	902,806	631,329
Total Net Assets	4,087,860	3,535,337
TOTAL LIABILITIES AND NET ASSETS	$ 4,401,999	$ 4,111,325

See Independent Auditor's Report
and Notes to Financial Statements.

COMMUNITY TRANSPORTATION NETWORK, INC.
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	Without Donor Restrictions	With Donor Restrictions	Totals 2026	Totals 2025
SUPPORT AND REVENUE				
Contributions				
Foundations	$ 826,788	$ 1,153,569	$ 1,980,357	$ 1,455,521
Corporations and individuals	103,201	16,472	119,673	202,320
In-kind	26,650		26,650	12,669
Government grants	144,996		144,996	207,989
Transportation fees	683,810		683,810	770,282
Special events	224,537		224,537	183,898
Less: direct benefit to donors	(29,070)		(29,070)	(29,160)
Rental income	18,262		18,262	19,200
Investment income	26,302		26,302	7,139
Gain on sale of assets	6,500		6,500	144,224
Miscellaneous	27,065		27,065	54,464
Total Support and Revenue	2,059,041	1,170,041	3,229,082	3,028,546
Net Assets Released From Restrictions	898,564	(898,564)	-	-
TOTAL SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	2,957,605	271,477	3,229,082	3,028,546
EXPENSES				
Transportation services	2,128,559		2,128,559	2,201,481
Management and general	393,189		393,189	282,317
Fund raising	154,811		154,811	194,284
Total Expenses	2,676,559		2,676,559	2,678,082
CHANGE IN NET ASSETS	281,046	271,477	552,523	350,464
NET ASSETS - BEGINNING OF YEAR	2,904,008	631,329	3,535,337	3,184,873
NET ASSETS - END OF YEAR	$ 3,185,054	$ 902,806	$ 4,087,860	$ 3,535,337

See Independent Auditor's Report
and Notes to Financial Statements.

COMMUNITY TRANSPORTATION NETWORK, INC.
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals 2025
SUPPORT AND REVENUE			
Contributions			
Foundations	$ 671,286	$ 784,235	$ 1,455,521
Corporations and individuals	110,923	91,397	202,320
In-kind	12,669		12,669
Government grants	207,989		207,989
Transportation fees	770,282		770,282
Special events	183,898		183,898
Less: direct benefit to donors	(29,160)		(29,160)
Rental income	19,200		19,200
Investment income	7,139		7,139
Gain on sale of assets	144,224		144,224
Miscellaneous	54,464		54,464
Total Support and Revenue	2,152,914	875,632	3,028,546
Net Assets Released From Restrictions	683,146	(683,146)	-
TOTAL SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	2,836,060	192,486	3,028,546
EXPENSES			
Transportation services	2,201,481		2,201,481
Management and general	282,317		282,317
Fund raising	194,284		194,284
Total Expenses	2,678,082		2,678,082
CHANGE IN NET ASSETS	157,978	192,486	350,464
NET ASSETS - BEGINNING OF YEAR	2,746,030	438,843	3,184,873
NET ASSETS - END OF YEAR	$ 2,904,008	$ 631,329	$ 3,535,337

See Independent Auditor's Report
and Notes to Financial Statements.

COMMUNITY TRANSPORTATION NETWORK, INC.
Statement of Functional Expenses
Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	Transportation Services	Management and General	Fund Raising	Totals 2026	Totals 2025
Salaries	$ 901,532	$ 245,120	$ 61,394	$ 1,208,046	$ 1,227,586
Employee health and retirement benefits	130,046	21,734	13,717	165,497	146,341
Payroll taxes	71,752	18,056	4,153	93,961	94,952
Total Salaries and Related Expenses	1,103,330	284,910	79,264	1,467,504	1,468,879
Repairs and maintenance	229,467	5,375	4,905	239,747	225,995
Fuel	131,355			131,355	152,840
Insurance	278,456	11,054		289,510	299,514
Office expense	33,411	13,432	1,630	48,473	34,834
Professional services		20,491		20,491	33,127
Telephone	36,842	3,422	1,464	41,728	40,560
Occupancy	27,378	3,390	3,224	33,992	29,836
Licenses	9,893			9,893	9,827
Interest	2,136	12,548		14,684	31,253
Miscellaneous	5,518	461	595	6,574	9,850
Equipment rental	4,123	542	542	5,207	5,871
Marketing	3,968	27,305	10,380	41,653	14,945
Dues and subscriptions	1,903	877	5,353	8,133	9,009
Conferences and meetings	1,559	3,639	1,104	6,302	7,894
Event expense	107		70,589	70,696	61,784
Total Expenses Before Depreciation	1,869,446	387,446	179,050	2,435,942	2,436,018
Depreciation	259,113	5,743	4,831	269,687	271,224
Total Expenses By Function	$ 2,128,559	$ 393,189	$ 183,881	$ 2,705,629	$ 2,707,242
Less expenses included in support and revenue on the statement of activities			(29,070)	(29,070)	(29,160)
Total Expenses	$ 2,128,559	$ 393,189	$ 154,811	$ 2,676,559	$ 2,678,082

See Independent Auditor's Report
and Notes to Financial Statements.

COMMUNITY TRANSPORTATION NETWORK, INC.
Statement of Functional Expenses
Year Ended June 30, 2025

	Transportation Services	Management and General	Fund Raising	Totals 2025
Salaries	$ 976,210	$ 145,686	$ 105,690	$ 1,227,586
Employee health and retirement benefits	116,198	19,015	11,128	146,341
Payroll taxes	76,317	11,181	7,454	94,952
Total Salaries and Related Expenses	1,168,725	175,882	124,272	1,468,879
Repairs and maintenance	220,553	2,877	2,565	225,995
Fuel	152,840			152,840
Insurance	285,430	14,084		299,514
Office expense	13,672	14,439	6,723	34,834
Professional services	468	32,659		33,127
Telephone	38,182	1,421	957	40,560
Occupancy	25,083	2,663	2,090	29,836
Licenses	9,716	111		9,827
Interest	4,410	26,843		31,253
Miscellaneous	9,344	258	248	9,850
Equipment rental	4,699	586	586	5,871
Marketing	1,812		13,133	14,945
Dues and subscriptions	2,452	2,018	4,539	9,009
Conferences and meetings	3,524	2,562	1,808	7,894
Event expense			61,784	61,784
Total Expenses Before Depreciation	1,940,910	276,403	218,705	2,436,018
Depreciation	260,571	5,914	4,739	271,224
Total Expenses By Function	2,201,481	282,317	223,444	2,707,242
Less expenses included in support and revenue on the statement of activities			(29,160)	(29,160)
Total Expenses	$ 2,201,481	$ 282,317	$ 194,284	$ 2,678,082

See Independent Auditor's Report
and Notes to Financial Statements.

COMMUNITY TRANSPORTATION NETWORK, INC.
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 552,523	$ 350,464
Adjustments to reconcile change in net assets to cash flows provided by operating activities		
Depreciation	269,687	271,224
Change in present value discount	2,912	3,465
Gain on beneficial interest	(2,517)	(990)
Gain on investments	(8,854)	(879)
Gain on sale of assets	(6,500)	(144,224)
(Increase) decrease in:		
Contributions receivable - net	(83,825)	(259,010)
Accounts receivable	32,696	89,307
Prepaid expenses	(5,633)	76,451
Increase (decrease) in:		
Accounts payable	(13,957)	6,123
Accrued expenses	(7,902)	12,159
Net Cash Provided By Operating Activities	728,630	404,090
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(27,693)	(377,198)
Proceeds from the sale of assets	6,500	228,558
Purchase of investments	(502,533)	(2,730)
Net Cash Used For Investing Activities	(523,726)	(151,370)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance on line of credit	428,500	476,771
Repayment on line of credit	(428,500)	(594,771)
Proceeds from notes payable	-	60,908
Payments on notes payable	(239,990)	(155,997)
Net Cash Used For Financing Activities	(239,990)	(213,089)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(35,086)	39,631
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	157,682	118,051
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 122,596	$ 157,682

See Independent Auditor's Report
and Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities – Community Transportation Network, Inc. (CTN) is a voluntary health and welfare organization established to provide an effective and dependable transportation alternative in Fort Wayne and Allen County, Indiana. Its mission is to provide dependable and efficient transportation so no one is left behind. CTN's vision is that fewer transportation barriers will exist and full access to community life will be available to seniors, persons with disabilities, low income families, children and youth. CTN's priorities are to provide medical transportation that is dependable, affordable, accessible and accommodating for vulnerable seniors and persons with disabilities; to better use community transportation resources through consolidation and partnerships with other nonprofit organizations; and to build its capacity to better meet transportation needs of the target populations in our community.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Community Transportation Network, Inc. and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires net assets with donor restrictions are reclassified to net assets without donor restrictions.

Investments – The Organization has adopted FASB ASC 958-320-50-1. Under FASB ASC 958-320-50-1, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Income Taxes - The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the 60% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization has adopted FASB ASC 740-10-25, and determined no material unrecognized tax benefits or liabilities exist as of June 30, 2026 and 2025. The adoption of FASB ASC 740-10-25 did not impact the organization's financial position or results of operations. If applicable, the organization will recognize interest and penalties related to underpayment of income taxes as income tax expense. As of June 30, 2026 and 2025, respectively, the organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The organization does not anticipate any significant changes to unrecognized income tax benefits over the next year. The organization is generally no longer subject to examination by Federal or State agencies for years before 2023.

Use of Estimates - The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Reclassification – Prior year presentation has been reclassified to conform with the current year's presentation. These reclassifications have no effect on previously reported operational results.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Property and Equipment – Property and equipment are stated at cost or, if donated, at fair value at the date of the gift. Items with a cost or value of $1,000 or more and a useful life of one year or more are capitalized. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets as follows:

Building	39 years
Building Improvement	15 years
Transportation Equipment	4-5 years
Office Equipment	5-10 years

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Revenue Recognition – The Organization recognizes revenue from the following sources:

Contributions and Grants: The Organization recognizes support when received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met.

Transportation fees: The Organization recognizes revenue from direct billed transportation fees when the related transportation services are provided. A portion of the Organization's transportation revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. In addition, the Organization bills partner agencies on a monthly basis for transportation services. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization did not receive any cost-reimbursable grants that have not been recognized at June 30, 2026 and 2025, and therefore no amount is recognized in the statement of financial position as a refundable grant for these contracts and grants.

Special Events and Sponsorships: The Organization has multiple special events where tickets are purchased for the event and revenue is recognized upon the occurrence of the event. In addition, the Organization will sell sponsorships for the events. When a sponsorship is sold, it contains elements of both an exchange transaction and a contribution. The Organization will recognize the contribution portion once received or unconditionally pledged. The portion related to the exchange transaction is recorded as deferred income until the event occurs at which time it is recognized as revenue.

In-kind Contributions: Contributions of professional services are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Volunteers contribute amounts of time to the Organization's activities that do not meet recognition criteria, and the value of that time is not reflected in the financial statements.

Advertising Costs – Advertising and promotional programs are charged to expense during the period in which they are incurred. Advertising expense in the amount of $41,653 and $14,945 was incurred in the years ending June 30, 2026 and 2025, respectively.

Compensated Absences – The Organization allows employees to receive compensation for paid time off. As of June 30, 2025 and 2024, compensated absences have been calculated as $44,171 and $54,137, respectively. This amount has been reflected in the 2026 and 2025 Statements of Financial Position as part of accrued expenses.

NOTE 2 – Contributions Receivable

Contributions receivable as of June 30, 2026 and 2025 consist of the following:

	June 30, 2026	June 30, 2025
Contributions receivable-less than one year	$ 279,750	$ 260,925
Contributions receivable in one to five years	143,623	81,535
	423,373	342,460
Less: allowance for uncollectible pledges	-	-
	$ 423,373	$ 342,460

Pledges receivable in one to five years have been discounted at a rate of 4.44% and 4.25% for the year ended June 30, 2026 and 2025, respectively.

NOTE 3 – Investments

Investments as of June 30, 2026 and 2025 consisted of the following:

	June 30, 2026	June 30, 2025
Cash and cash investments	$ 297,127	$ 4,361
Fixed income	-	10,119
Mutual funds	84,526	29,155
Exchange traded funds	195,096	21,727
Total Investments at Fair Value	$ 576,749	$ 65,362
Total Investments at Historical Cost	$ 570,350	$ 64,341

NOTE 4 – Beneficial Interest – Community Foundation

Funds held at Community Foundation as of June 30, 2026 and 2025 are summarized as follows:

	June 30, 2026	June 30, 2025
Community Foundation of Greater Fort Wayne	$ 16,247	$ 13,730

The investments held by the Community Foundation are the result of agreements whereby the Organization has transferred assets, without variance power, to the Foundation and has specified itself as the beneficiary of those assets. The Organization may draw up to a certain percentage of the value of the assets each year, but may only obtain a return of the full value of the assets upon consent of the Foundation.

Additionally, the Foundation holds investment assets, with a value of $8,922 and $6,688 at June 30, 2026 and 2025, respectively, for the benefit of the Organization for which they have retained variance power. These assets are not recorded as assets of the Organization.

NOTE 5 – Fair Value of Financial Instruments

FASB ASC 820-10-50-1 requires certain disclosures regarding the fair value of financial instruments. Financial instruments held by Community Transportation Network, Inc. impacted by this pronouncement include the investments held at market value.

FASB ASC 820-10-50-1 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. There are three levels of input described below:

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.

Fair value of financial instruments as of June 30, 2026 is as follows:

	Total	Quoted market prices for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	$ 297,127	$ 297,127	$	$
Mutual funds	84,526	84,526		
Exchange traded funds	195,096	195,096		
Community Foundation of Greater Fort Wayne	16,247			16,247
Total	$ 592,996	$ 576,749	$ -	$ 16,247

NOTE 5 – Fair Value of Financial Instruments (Continued)

Fair value of financial instruments as of June 30, 2025 is as follows:

	Total	Quoted market prices for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	$ 4,361	$ 4,361	$	$
Mutual funds	29,155	29,155		
Exchange traded funds	21,727	21,727		
Equities	10,119		10,119	
Community Foundation of Greater Fort Wayne	13,730			13,730
Total	$ 79,092	$ 55,243	$ 10,119	$ 13,730

The table below presents a reconciliation and statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2026:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning Balance - July 1, 2025	$ 13,730
Total gains or losses (realized/unrealized) included in earnings:	
Contributions	-
Interest and dividend income on securities	721
Unrealized gain	1,839
Realized gains on sale of securities	326
Investment fees	(369)
Transfers out	-
Ending Balance - June 30, 2026	$ 16,247

NOTE 5 – Fair Value of Financial Instruments (Continued)

The table below presents a reconciliation and statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2025:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning Balance - July 1, 2024	$ 12,740
Total gains or losses (realized/unrealized) included in earnings:	
Contributions	-
Interest and dividend income on securities	575
Unrealized loss	508
Realized gains on sale of securities	277
Investment fees	(370)
Transfers out	-
Ending Balance - June 30, 2025	$ 13,730

NOTE 6 – Investment Income

Net investment income from the investment account, the Community Foundations and the savings accounts consisted of the following:

	June 30, 2026	June 30, 2025
Dividends, interest, and realized gains	$ 20,638	$ 6,122
Investment management fees	(1,551)	(370)
Unrealized gains	7,215	1,387
Total Investment Income	$ 26,302	$ 7,139

NOTE 7 – Functional Expenses

The cost of providing the program and other activities has been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, certain professional services, supplies, information technology, insurance and other expenses, which are allocated on the basis of time and effort.

NOTE 8 – Property and Equipment

The components of property and equipment are as follows:

	June 30, 2026	June 30, 2025
Land	$ 680,767	$ 680,767
Buildings and improvements	2,493,865	2,491,656
Office equipment and software	171,062	159,315
Transportation equipment	2,090,469	2,170,248
	5,436,163	5,501,986
Accumulated depreciation	(2,282,859)	(2,106,688)
Total	$ 3,153,304	$ 3,395,298

NOTE 9 – Net Assets with Donor Restrictions

The Organization has net assets that are donor restricted for the following purposes:

	June 30, 2026	June 30, 2025
Capital expansion	$ 37,500	$ 200,460
Medical transportation	205,827	171,027
Future operations	210,002	137,500
Other	417,142	71,250
Drive program	32,335	51,092
Total	$ 902,806	$ 631,329

Net assets released from net assets with donor restrictions are as follows:

	June 30, 2026	June 30, 2025
Time requirements	$ 207,498	$ 150,000
Purpose requirement:		
Medical transportation	497,700	350,004
Capital expansion	166,425	120,990
Other	8,184	38,341
Drive program	18,757	23,811
Total	$ 898,564	$ 683,146

NOTE 9 – Net Assets with Donor Restrictions (Continued)

Net assets without donor restrictions are as follows:

	June 30, 2026	June 30, 2025
Undesignated	$ 2,592,058	$ 2,824,916
Board designated - endowment	592,996	79,092
Total	$ 3,185,054	$ 2,904,008

NOTE 10 – Commitments and Contingencies

Community Transportation Network, Inc. maintains its cash accounts at local banks. The cash balances and short-term investments are insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2026 and 2025 the Organization had no uninsured cash balances.

NOTE 11 – Retirement Plan

The Organization sponsors a defined contribution plan where contributions to the plan are made for all employees with at least 30 days of continuous employment. The Organization's contributions are 100% vested after 5 years of employment. The Organization matches amounts contributed by eligible employees up to 2.5% of each employee's total compensation. Expenses for the years ended June 30, 2026 and 2025 amounted to $8,401 and $11,025, respectively.

NOTE 12 – Endowments

The Organization's endowment consists of two funds established for providing revenue from earnings. Its endowment includes board designated endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with donor restricted funds, including designated funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts, (b) the original value of subsequent gifts, and (c) accumulations made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted fund that is not classified in net assets with donor restrictions is classified as designated net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 12 – Endowments (Continued)

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

The duration and preservation of the fund
The purposes of the organization and the donor-restricted fund
General economic conditions
The possible effect of inflation and deflation
The expected total return from income and the appreciation of investments
Other resources of the organization
The investment policies of the organization

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

	Without Donor Restriction	With Donor Restriction	Total
Board designated funds - campaign	$ 576,749	$	$ 576,749
Board designated funds - Community Foundation	16,247		16,247
	$ 592,996	$ -	$ 592,996

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

	Without Donor Restriction	With Donor Restriction	Total
Board designated funds - campaign	$ 65,362	$	$ 65,362
Board designated funds - Community Foundation	13,730		13,730
	$ 79,092	$ -	$ 79,092

NOTE 12 – Endowments (Continued)

Changes in endowment net assets for the year ended June 30, 2026, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets - beginning of year	$ 79,092	$	$ 79,092
Contributions (net)	570,000		570,000
Investment return:			
Dividends, interest and realized investment gains/losses	5,419		5,419
Unrealized gain	7,215		7,215
Total investment return	12,634		12,634
Appropriation of endowment assets for expenditures	(68,730)		(68,730)
Endowment net assets - end of year	$ 592,996	$ -	$ 592,996

Changes in endowment net assets for the year ended June 30, 2025 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets - beginning of year	$ 74,493	$	$ 74,493
Contributions (net)			-
Investment return:			
Dividends, interest and realized investment gains/losses	3,212		3,212
Unrealized gain	1,387		1,387
Total investment return	4,599		4,599
Appropriation of endowment assets for expenditures	-		-
Endowment net assets - end of year	$ 79,092	$ -	$ 79,092

Funds With Deficiencies – From time to time, the fair value of assets associated with individual donor restricted funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. These deficiencies result from unfavorable investment performance due to unfavorable market conditions for the investments supporting the donor restricted and designated net assets.

NOTE 12 – Endowments (Continued)

Return Objectives and Risk Parameters – The organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as designated funds. The Organization expects its endowment fund, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Organization 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).

Spending Policy – The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior four quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to maintain the current value. This is consistent with the organization'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.

NOTE 13 – Notes Payable

In July 2020, the Organization secured a loan from the Small Business Administration (SBA) in the amount of $150,000. The loan bears interest at a rate of 2.75% and requires monthly principal and interest payments of $641 beginning July 2022. Outstanding under this agreement as of June 30, 2026 and 2025 was $134,820 and $139,059, respectively. Interest expense of $3,453 and $3,871 was recognized on this loan for the years ended June 30, 2026 and 2025, respectively. The loan is secured by all business assets and matures in July 2052.

Principal payments required over the next five years under the terms of the SBA loan are as follows:

June 30,	Amount
2027	$ 4,026
2028	4,138
2029	4,253
2030	4,372
2031	4,493

In connection with the building construction located at 3401 Adams Center Road in Fort Wayne, Indiana the Organization secured a construction loan with First Merchants Bank. The note, in a total amount of $929,500, had a balance of $40,427 and $206,427 as of June 30, 2026 and 2025, respectively. The note bears interest at 6.26% as of June 30, 2026 and 2025. The note matures September 29, 2026 at which time all remaining unpaid principal is due. The loan is secured by the building.

NOTE 13 – Notes Payable (Continued)

Principal payments required over the next five years under the terms of the loan are as follows:

June 30	Amount
2027	$ 40,427

In connection with the acquisition of two vehicles, the Organization secured a term loan with Three Rivers Federal Credit Union dated November 2, 2022, in the amount of $124,560. The note had a balance of $0 and $18,720 as of June 30, 2026 and 2025, respectively. The note bore interest at a rate of 3.64% and required monthly payments of $2,276. The loan was secured by the vehicles purchased. The loan was paid in full during the year ended June 30, 2026.

In connection with the acquisition of vehicles, the Organization secured a term loan with Midwest America Federal Credit Union dated July 8, 2024 in the amount of $60,908. The note had a balance of $0 and $51,030 as of June 30, 2026 and 2025, respectively. The note bore interest at a rate of 6% and required monthly payments of $1,172 through July 2029. The loan was secured by the vehicle purchased. The loan was paid in full during the year ended June 30, 2026.

NOTE 14 – Line of Credit

CTN has a $200,000 revolving line of credit with 1st Source Bank to be drawn upon as needed, bearing interest at .25% below the prime rate (6.5% at June 30, 2026). The note is secured by all business assets and is due for renewal on December 1, 2026. Outstanding on the note was $0 as of June 30, 2026 and 2025. Interest expense of $2,482 and $3,764 was incurred for the years ended June 30, 2026 and 2025, respectively.

NOTE 15 – Rental Income

The Organization leases a portion of its real estate facilities to an unrelated organization under a non-cancelable operating lease agreement that commenced on April 1, 2023, and expires on March 31, 2033. The lease requires monthly base rental payments of $1,400 with annual increases tied to the consumer price index. Rental income under this lease agreement totaled $15,832 for the year ended June 30, 2026 and $16,800 for the year ended June 30, 2025.

Future minimum lease payments expected to be received under this non-cancelable operating lease for each of the next five years as of June 30, 2026 are as follows:

Year Ending June 30,	Amount
2027	$ 18,096
2028	18,096
2029	18,096
2030	18,096
2031	18,096

Additional rental income associated with the lease of space not formally documented totaled $2,430 and $2,400 for the years ended June 30, 2026 and 2025, respectively.

NOTE 16 – Liquidity and Availability of Financial Assets

The following reflects the financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the board approves that action.

	2026	2025
Cash and cash equivalents	$ 122,596	$ 157,682
Accounts receivable	60,428	93,124
Contributions receivable - current	279,750	260,925
Investments	576,749	65,362
Total financial assets, excluding noncurrent receivables	1,039,523	577,093
Contractual or donor-imposed restrictions:		
Capital expansion/Drive program	(69,835)	(251,552)
Less: restrictions released in next fiscal year		
Board designations:		
Endowment	(592,996)	(79,092)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	$ 376,692	$ 246,449

NOTE 17 – Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 12, 2026, the date the financial statements were available to be issued.