

Wiley Mission and Controlled Entity

Consolidated Financial Statements
and Supplementary Information

December 31, 2024 and 2023

Wiley Mission and Controlled Entity

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Independent Auditors' Report

To the Board of Trustees of
Wiley Mission and Controlled Entity

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wiley Mission and Controlled Entity (the Corporation), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2024 and 2023, and the results of its operations, 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) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation 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 Consolidated 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information on pages 22 to 27 is presented for purposes of additional analysis rather than to present the financial position and results of operations and changes in net assets (deficit) of the individual entities and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal award (and state passthrough award) and the related notes on pages 28-29, as required by the New Jersey Office of Management and Budget Circular 15-08; *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2025 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Iselin, New Jersey
June 14, 2025

Wiley Mission and Controlled Entity

Consolidated Balance Sheets

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,198,629	\$ 884,991
Resident trust funds	135,431	130,606
Assets whose use is limited	76,725	58,725
Accounts receivable, net:		
Residents	1,225,332	1,229,054
Other	77,766	44,098
Prepaid expenses and other current assets	1,293	2,189
	<u>2,715,176</u>	<u>2,349,663</u>
Investments	7,068,645	6,202,605
Derivative Financial Instruments	64,843	-
Beneficial Interest in Perpetual Trust	132,093	126,785
Property and Equipment, Net	<u>18,154,963</u>	<u>18,127,116</u>
	<u>\$ 28,135,720</u>	<u>\$ 26,806,169</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 1,108,795	\$ 1,081,713
Accounts payable, trade	445,467	409,333
Accrued expenses	799,303	719,772
Resident trust funds	111,714	106,889
Other current liabilities	5,478	15,134
	<u>2,470,757</u>	<u>2,332,841</u>
Long-Term Debt, Net	3,015,912	4,105,105
Refundable Fees and Deposits	76,725	59,725
Deferred Revenues From Entrance Fees	9,581,358	8,600,362
Derivative Financial Instruments	<u>-</u>	<u>112,383</u>
	<u>15,144,752</u>	<u>15,210,416</u>
Net Assets		
Without donor restrictions	12,858,875	11,468,968
With donor restrictions	132,093	126,785
	<u>12,990,968</u>	<u>11,595,753</u>
	<u>\$ 28,135,720</u>	<u>\$ 26,806,169</u>

See notes to consolidated financial statements

Wiley Mission and Controlled Entity

Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues Without Donor Restrictions		
Net resident service revenues	\$ 19,103,555	\$17,883,111
Other operating revenues	743,206	932,896
Contributions	557,011	523,065
Investment income	379,225	126,720
	<u>20,782,997</u>	<u>19,465,792</u>
Expenses		
Nursing	7,095,447	6,858,992
Dietary	2,202,473	1,923,941
Housekeeping and laundry	790,902	650,309
Social services and activities	1,336,816	1,252,884
Plant operations	2,747,708	2,511,489
General and administrative	3,810,350	3,341,493
Depreciation	1,829,787	1,776,235
Interest	274,172	330,756
	<u>20,087,655</u>	<u>18,646,099</u>
Operating income	695,342	819,693
Unrealized Gain on Investments	517,339	751,278
Unrealized Gain on Derivative Financial Instruments	177,226	8,026
Revenues in excess of expenses and change in net assets without donor restrictions	1,389,907	1,578,997
Net Assets With Donor Restrictions		
Valuation gain, beneficial interest in perpetual trust	5,308	7,817
Change in net assets	1,395,215	1,586,814
Net Assets, Beginning	<u>11,595,753</u>	<u>10,008,939</u>
Net Assets, Ending	<u>\$ 12,990,968</u>	<u>\$ 11,595,753</u>

See notes to consolidated financial statements

Wiley Mission and Controlled Entity

Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 1,395,215	\$ 1,586,814
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for credit losses	250,110	592,187
Depreciation	1,829,787	1,776,235
Noncash interest, amortization of deferred financing fees	19,600	19,599
Net realized and unrealized gain on investments	(583,979)	(696,742)
Unrealized gain on derivative financial instruments	(177,226)	(8,026)
Valuation gain, beneficial interest in perpetual trust	(5,308)	(7,817)
Proceeds from entrance fees and refundable deposits	2,718,641	1,662,102
Amortization of entrance fees	(1,720,645)	(1,717,851)
Changes in assets and liabilities:		
Resident trust funds	4,825	(11,349)
Accounts receivables	(280,056)	(394,995)
Prepaid expenses and other current assets	896	2,465
Accounts payable, trade	36,134	(144,009)
Accrued expenses	79,531	45,638
Other current liabilities	(9,656)	(12,289)
Net cash provided by operating activities	<u>3,557,869</u>	<u>2,691,962</u>
Cash Flows From Investing Activities		
Net (purchases) sales of investments	(282,061)	260,191
Purchases of property and equipment	(1,857,634)	(1,386,944)
Net cash used in investing activities	<u>(2,139,695)</u>	<u>(1,126,753)</u>
Cash Flows From Financing Activities		
Payment of deferred financing costs	-	(21,500)
Repayment of long-term debt	(1,081,711)	(1,056,710)
Net cash used in financing activities	<u>(1,081,711)</u>	<u>(1,078,210)</u>
Net change in cash, cash equivalents and restricted cash and cash equivalents	336,463	486,999
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	<u>1,074,322</u>	<u>587,323</u>
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 1,410,785</u>	<u>\$ 1,074,322</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 254,572</u>	<u>\$ 311,157</u>

See notes to consolidated financial statements

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

1. Nature of Operations and Summary of Significant Accounting Policies

Organization

The consolidated financial statements include the accounts of Wiley Mission (the Community) and Wiley Christian Adult Day Services, Inc. (Adult Day) (collectively, the Corporation).

The Community operates a continuing care retirement community and church providing housing, health care and other related services to elderly residents through the operation of an 86-bed nursing facility, a 53-bed residential health care facility and 137 independent living apartments and cottages. The Community's operations are located in Marlton, New Jersey.

Adult Day provides medical day and behavioral health management services in Pennsauken, New Jersey. The behavioral health management services are limited by the square footage of the facility.

Principles of Consolidation

The consolidated financial statements include the accounts of the entities listed in the Organization section of this note. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments purchased with an initial maturity of three months or less. The following table provides a reconciliation of cash, cash equivalents and restricted cash and cash equivalents reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,198,629	\$ 884,991
Resident trust funds	135,431	130,606
Cash and cash equivalents included in assets whose use is limited	<u>76,725</u>	<u>58,725</u>
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 1,410,785</u>	<u>\$ 1,074,322</u>

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Accounts Receivable, Residents

Resident accounts receivable are reported net of an allowance for credit losses to present the Corporation's estimates of expected losses as of the consolidated balance sheets dates. The adequacy of the Corporation's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analysis of receivables portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends and adjustments are made to the allowance, as necessary.

The following table presents the approximate changes in the allowance for credit losses on accounts receivable for the period end December:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 577,000	\$ 557,000
Provision within credit loss expense	250,000	592,000
Write offs	<u>(310,000)</u>	<u>(592,000)</u>
Balance, end of year	<u>\$ 517,000</u>	<u>\$ 557,000</u>

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses and change in net assets without donor restrictions unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the accompanying consolidated balance sheets are subject to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated balance sheets could change materially in the near term.

Assets Whose Use is Limited

Assets whose use is limited includes cash and cash equivalents related to wait list deposits.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Gifts of long-lived assets such as land, buildings or equipment are reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been deferred and are being expensed over the terms of the related debt using the straight-line method, which approximates the effective interest method. These costs are reported on the accompanying consolidated balance sheets as a direct reduction from the carrying value amount of the debt. The amortization of deferred financing costs, included in interest expense on the accompanying consolidated statements of operations and changes in net assets approximated \$19,600 in both 2024 and 2023.

Beneficial Interest in Perpetual Trust

The Corporation has been designated the beneficiary under a perpetual trust. A perpetual trust is held by a third party and is an arrangement in which the donor establishes and funds a trust to exist in perpetuity that is administered by an individual or organization other than the beneficiary. The Corporation has the irrevocable right to receive the income earned on the trust's assets but will never receive the assets themselves. The Corporation recognizes contribution revenues at the time an irrevocable trust is created at the fair value of the trust's assets, which approximates the discounted present value of cash flows from the beneficial interest. The Corporation revalues its interest in the perpetual trusts annually and reports any gains or losses in the value of the trust as net assets with donor restrictions in the consolidated statements of operations and changes in net assets.

Refundable Fees and Deposits

Resident deposits represent entrance fee deposits paid to reserve a residence at the Community. These deposits become part of the entrance fees when the resident moves in, or are fully refundable at the residents' discretion. Resident deposits also represent security deposits paid in advance to cover possible costs when residents vacate their apartments or personal care units.

Deferred Revenues From Entrance Fees

Under the entrance fee plan for independent living units, the Community receives payments in advance. Residents have one nonrefundable entrance plan which has no guaranteed refund component and is refundable on a decreasing basis for 50 months; after 50 months of occupancy, no refund is due or payable. The entrance fees are amortized into income using the straight-line method over the annually adjusted estimated remaining life expectancies of each resident or resident couple. Gross contractual refund obligations approximate \$3,976,000 at December 31, 2024.

Obligation to Provide Future Services

The Community engages an independent actuary once every three years to calculate the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenues from entrance fees. Based upon the last calculation performed (as of December 31, 2023), the present value of the net cost of future services and the use of facilities, based on a discount rate of 5%, did not exceed deferred revenues from entrance fees. Based upon this calculation, and the analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2024 and 2023.

Derivative Financial Instruments

The Corporation has entered into interest rate swap agreements, which are considered derivative financial instruments, to manage its interest rate risk on its long-term debt. The fair value of the derivative financial instruments is determined utilizing forward interest rate estimates and present value techniques.

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenues not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Corporation expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are comprised of skilled nursing, residential health care, independent living, adult day care, ancillary and other resident service streams, which are primarily derived from providing housing, skilled nursing, residential health care, adult day care, ancillary and other resident services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Corporation has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Corporation considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled nursing, residential health care, independent living, adult day care, ancillary and other resident services are recognized on a daily or month-to-month basis as services are rendered.

The Corporation receives revenues for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends and retroactive adjustments are recognized in future periods as final settlements are determined.

Contract Assets and Liabilities

Contract assets represent the Corporation's right to consideration in exchange for goods or services that the Corporation has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Corporation's future performance). Contract liabilities represent the Corporation's obligation to transfer goods or services to a resident for which the Corporation has received consideration (or the amount is due) from the resident.

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The Corporation's beginning and ending contract assets and liabilities are separately presented on the consolidated balance sheets as of December 31, 2024 and 2023. Contract assets and liabilities as of December 31, 2022 were as follows:

Resident accounts receivable, net	\$ 1,447,124
Deferred revenues from entrance fees	8,662,934

Income Taxes

The Corporation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on its income under Section 501(a) of the IRC.

Measures of Operations

The consolidated statements of operations and changes in net assets includes the determination of operating income. Operating income includes only those operating and nonoperating revenues and expenses that are an integral part of its program activities and that are used to support operations and excludes unrealized gains and losses on investments and derivative financial instruments.

Performance Indicator

The consolidated statements of operations and changes in net assets include the determination of revenues in excess of expenses and change in net assets without donor restrictions as the performance indicator, consistent with industry practice.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through June 14, 2025, the date the consolidated financial statements were available to be issued.

2. Net Resident Service Revenues

Net resident service revenues consist of the following for the years ended December 31, 2024 and 2023:

	2024					
	Skilled Nursing	Residential Health Care	Independent Living	Behavioral Health	Ancillary and Other	Total
Private	\$ 5,710,200	\$ 1,100,232	\$ 4,464,257	\$ 124,545	\$ 165,568	\$ 11,564,802
Medicare	1,407,485	-	-	-	1,136,269	2,543,754
Medicaid	1,186,858	-	-	2,087,496	-	3,274,354
	<u>\$ 8,304,543</u>	<u>\$ 1,100,232</u>	<u>\$ 4,464,257</u>	<u>\$ 2,212,041</u>	<u>\$ 1,301,837</u>	17,382,910
Amortization of entrance fees						<u>1,720,645</u>
Net resident service revenues						<u>\$ 19,103,555</u>

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Notes to Consolidated Financial Statements

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	2023					
	Skilled Nursing	Residential Health Care	Independent Living	Behavioral Health	Ancillary and Other	Total
Private	\$ 5,007,570	\$ 849,447	\$ 4,255,749	\$ 129,206	\$ 128,191	\$ 10,370,163
Medicare	1,719,238	-	-	-	1,396,973	3,116,211
Medicaid	970,505	-	-	1,708,381	-	2,678,886
	<u>\$ 7,697,313</u>	<u>\$ 849,447</u>	<u>\$ 4,255,749</u>	<u>\$ 1,837,587</u>	<u>\$ 1,525,164</u>	16,165,260
Amortization of entrance fees						<u>1,717,851</u>
Net resident service revenues						<u>\$ 17,883,111</u>

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors follows:

Medicaid - The Medicaid reimbursement system for nursing facilities in the State of New Jersey (the State) is a managed care reimbursement model. Under this model, the State provides funding to managed care organizations (MCOs) to coordinate all healthcare services, including long-term care services, for Medicaid beneficiaries. In turn, the MCOs will reimburse nursing facilities for services rendered to Medicaid beneficiaries admitted to nursing facilities. The reimbursement received by the nursing facilities is negotiated between the MCOs and the nursing facilities.

Medicare - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates are according to a resident classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments. Therapy services provided to Medicare B beneficiaries are paid at the lesser of a published fee schedule or actual charges.

As described above, the Medicaid and Medicare rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on the Corporation's clinical assessment of its residents. The Corporation is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medicaid and Medicare programs.

The Corporation also has entered into payment agreements with certain insurance carriers and others. The basis for payment to the Corporation under these agreements includes prospectively determined rates per day or discounts from established charges.

Payment terms and conditions for the Corporation's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenues from entrance fees until the performance obligations are satisfied and are included in deferred revenues from entrance fees in the accompanying consolidated balance sheets.

The Corporation recognized approximately \$1,721,000 during 2024 and \$1,718,000 during 2023 of amortization of entrance fees revenues that was included in the deferred revenues from entrance fees balance as of December 31, 2024 and 2023, respectively. The Corporation does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

3. Fair Value Measurements, Investments and Assets Whose Use is Limited and Other Financial Instruments

Fair Value Measurements

The Corporation measures its investments and assets whose use is limited, beneficial interest in perpetual trust and derivative financial instruments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Corporation for identical assets.

Level 2 - Significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data.

Level 3 - Significant unobservable inputs.

The fair value of the financial instruments listed below was determined using the following valuation hierarchy at December 31:

	2024			
	Total	Level 1	Level 2	Level 3
Reported at Fair Value				
Assets:				
Investments and assets whose use is limited:				
U.S. government obligations	\$ 49,175	\$ -	\$ 49,175	\$ -
Corporate bonds	241,619	-	241,619	-
International funds	19,475	-	19,475	-
Marketable equity securities	2,426,669	2,426,669	-	-
Mutual funds:				
Equity	3,659,857	3,659,857	-	-
Fixed income	68,820	68,820	-	-
Mortgage-backed securities	79,603	-	79,603	-
	<u>\$ 6,545,218</u>	<u>\$ 6,155,346</u>	<u>\$ 389,872</u>	<u>\$ -</u>
Beneficial interest in perpetual trust	<u>\$ 132,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,093</u>
Derivative financial instruments	<u>\$ 64,843</u>	<u>\$ -</u>	<u>\$ 64,843</u>	<u>\$ -</u>

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

	2023			
	Total	Level 1	Level 2	Level 3
Reported at Fair Value				
Assets:				
Investments and assets whose use is limited:				
U.S. government obligations	\$ 48,905	\$ -	\$ 48,905	\$ -
Corporate bonds	273,728	-	273,728	-
International funds	19,641	-	19,641	-
Marketable equity securities	2,071,496	2,071,496	-	-
Mutual funds:				
Equity	3,194,204	3,194,204	-	-
Fixed income	62,676	62,676	-	-
Mortgage-backed securities	105,396	-	105,396	-
	<u>\$ 5,776,046</u>	<u>\$ 5,328,376</u>	<u>\$ 447,670</u>	<u>\$ -</u>
Beneficial interest in perpetual trust	<u>\$ 126,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,785</u>
Liability:				
Derivative financial instruments	<u>\$ 112,383</u>	<u>\$ -</u>	<u>\$ 112,383</u>	<u>\$ -</u>

The following is a description of the valuation methodologies used for assets measured at fair value and for financial instruments disclosed at fair value. There have been no changes in methodologies used at December 31, 2024 and 2023.

Marketable equity securities and mutual funds are valued at fair value based on quoted market prices which are considered Level 1 inputs. U.S. government obligations, corporate bonds, international funds and mortgage-backed securities are valued using quoted market prices in active markets for the same or similar securities, which are considered Level 2 inputs.

The beneficial interest in perpetual trust is valued using unobservable inputs (Level 3) in accordance with the authoritative guidance on fair value measurements.

The Corporation measures its derivative financial instruments at fair value based on proprietary models of an independent third-party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments. The value represents the estimated exit price the Corporation would pay to terminate the interest rate swap agreements.

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The following table reconciles the investments and assets whose use is limited to the consolidated balance sheets:

	<u>2024</u>	<u>2023</u>
Investments and assets whose use is limited reported at fair values in the tables above	\$ 6,545,218	\$ 5,776,046
Unit Investment Trusts valued at net asset value (NAV) per share	185,722	227,610
Cash and cash equivalents included in investments and assets whose use is limited	<u>414,430</u>	<u>257,674</u>
Total investments and assets whose use is limited	<u>\$ 7,145,370</u>	<u>\$ 6,261,330</u>

Investments and assets whose use is limited is classified on the consolidated balance sheets as follows:

	<u>2024</u>	<u>2023</u>
Investments	\$ 7,068,645	\$ 6,202,605
Assets whose use is limited	<u>76,725</u>	<u>58,725</u>
Total	<u>\$ 7,145,370</u>	<u>\$ 6,261,330</u>

Unit Investment Trusts (UIT) are invested in a professionally selected, fixed and unmanaged portfolio with a specific investment objective that follows a buy and hold strategy. When the UIT terminates, the portfolios securities are liquidated and the redemption proceeds are distributed to the holders. UIT's have daily liquidity and can be sold back to the sponsor at any time prior to termination at the NAV less any deferred sales charges.

Investment return is comprised of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 312,585	\$ 181,256
Net realized gain (loss) on sales of investments	<u>66,640</u>	<u>(54,536)</u>
Investment income	379,225	126,720
Net unrealized gain on investments	<u>517,339</u>	<u>751,278</u>
Total investment return	<u>\$ 896,564</u>	<u>\$ 877,998</u>

Under the provisions of the New Jersey Continuing Care Retirement Community Regulation and Financial Disclosure Act (the Act), the Corporation must maintain a statutory minimum liquid reserve as of year-end that is equal to or exceeds the greater of the total of all principal and interest payments due during the next 12 months or 15% of total projected operating expenses, exclusive of depreciation and amortization for the following year. The statutory minimum liquid reserve requirement as of December 31, 2024 was approximately \$1,797,000. Management believes that the Corporation complied with the requirements of the Act as of December 31, 2024.

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements
December 31, 2024 and 2023

4. Liquidity and Availability of Resources

Financial assets available for general expenditures within one year of the consolidated balance sheets date, consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,198,629	\$ 884,991
Accounts receivable, net	1,303,098	1,273,152
Investments	<u>7,068,645</u>	<u>6,202,605</u>
Financial assets	9,570,372	8,360,748
Less those unavailable for general expenditures within one year:		
Statutory minimum liquid reserve	<u>(1,797,000)</u>	<u>(2,265,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,773,372</u>	<u>\$ 6,095,748</u>

The Corporation has assets whose use is limited related to wait list deposits. These assets whose use is limited are not available for general expenditures within the next year and are not reflected in the amounts above.

As stated in Note 3, the Corporation designated a portion of its investments reserved to comply with the requirements of the Act. Although the Corporation does not intend to utilize the statutory minimum liquid reserves for general expenditures as part of its annual budget and approval process, amounts designated as statutory minimum liquid reserves could be made available, as necessary. The statutory minimum liquid reserves are included with the investments as detailed in Note 3, and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As part of the Corporation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments.

5. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 186,142	\$ 186,142
Building and building improvements	48,534,274	47,163,179
Furniture and equipment	7,632,143	7,191,698
Automobiles	<u>768,049</u>	<u>721,955</u>
Total	57,120,608	55,262,974
Less accumulated depreciation	<u>38,965,645</u>	<u>37,135,858</u>
Total	<u>\$ 18,154,963</u>	<u>\$ 18,127,116</u>

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements
December 31, 2024 and 2023

6. Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
New Jersey Health Care Facilities Financing Authority Variable Rate Refunding and Revenue Bonds Wiley Mission Issue, Series 2012A, due in varying annual installments through 2029. The variable interest rate was 4.39% at December 31, 2024.	\$ 3,598,748	\$ 4,307,165
TD Bank, N.A. Loan	622,161	995,455
Total	4,220,909	5,302,620
Less:		
Current maturities	1,108,795	1,081,713
Deferred financing costs	96,202	115,802
Long-term debt	<u>\$ 3,015,912</u>	<u>\$ 4,105,105</u>

On December 1, 2012, the New Jersey Health Care Facilities Financing Authority (the Authority) issued, on behalf of the Corporation, \$10,840,575 Series 2012A Refunding and Revenue Bonds (the 2012 Bonds). Beginning July 2023, variable bond interest is assessed at 67% of term SOFR plus 2.035%. The 2012 Bonds are collateralized by substantially all property and equipment and a pledge of gross receipts.

On January 21, 2016, the Corporation entered into a Construction Loan Mortgage and Security Agreement, in the amount of \$2,737,500 to finance the renovation of the Corporation's nursing wing (the TD Bank, N.A. Loan). The Loan has a maturity date of January 31, 2026, and beginning April 2023, variable interest assessed is at one-month term SOFR plus 236 basis points. The interest rate was 6.91% at December 31, 2024. The loan is secured by certain real property and improvements as defined in the Construction Mortgage and Security Agreement.

The Corporation agreed to comply with the terms of the Bond and Loan Agreements, which include, among other things, covenants to maintain a Minimum Debt Service Coverage Ratio, a Minimum Days Cash on Hand, an Occupancy Ratio and a Minimum Loan to Value Ratio as defined.

Scheduled principal payments on long-term debt are as follows:

Years ending December 31:	
2025	\$ 1,108,795
2026	1,012,280
2027	790,499
2028	820,499
Thereafter	488,836
Total	<u>\$ 4,220,909</u>

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements
December 31, 2024 and 2023

7. Derivative Financial Instruments

On November 22, 2002, the Corporation executed two interest rate swap agreements (swap or swaps) with TD Bank, N.A. (together, the Parties) to manage its risk relating to the changes in cash flow associated with a portion of its variable rate debt. The first swap fixes the interest at 3.56% through July 1, 2029, on a notional amount of \$1,915,000 on December 31, 2024. The second swap fixes the interest at 3.25% through July 1, 2029, on a notional amount of \$1,920,000 on December 31, 2024. Under the interest rate swap agreements, the Parties agree to exchange monthly the difference between fixed-rate and variable rate interest amounts calculated by reference to the agreed notional amount. Management has elected not to designate the swap agreements as a hedge for financial reporting purposes.

The fair value of these agreements was an asset of \$64,843 at December 31, 2024, and a liability of \$112,383 at December 31, 2023. The change in fair value of the swap agreements was \$117,226 in 2024 and \$8,026 in 2023 and is included as a component of revenues in excess of expenses and change in net assets without donor restrictions in the consolidated statements of operations and changes in net assets.

8. Retirement Plan

The Corporation sponsors a defined contribution retirement plan. Plan expense was approximately \$62,000 in 2024 and \$57,000 in 2023.

9. Medical Malpractice Claims Coverage

The Corporation maintains professional liability coverage on a claims-made basis through a commercial insurance company. Management is not aware of any claims in excess of insurance coverage and historically no claims have been settled for amounts in excess of insured limits.

10. Contingencies

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Corporation, if any, are not presently determinable.

11. Concentrations of Credit Risk

The Corporation grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements, primarily with Medicaid, Medicare and various commercial insurance companies.

The Corporation maintains cash accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash accounts.

Wiley Mission and Controlled Entity

Notes to Consolidated Financial Statements
December 31, 2024 and 2023

12. Expenses by Nature and Function

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Corporation. These expenses may be allocated based on square footage, usage of space or estimates of time and effort.

The Corporation's expenses for resident services (including health care, personal care and residential services) and general and administrative are as follows for the years ended December 31:

	2024		
	Resident Services	General and Administrative	Total
Salaries and wages	\$ 7,944,725	\$ 1,928,147	\$ 9,872,872
Payroll taxes and employee benefits	1,216,674	622,884	1,839,558
Supplies and other expenses	5,011,947	1,259,319	6,271,266
Depreciation	1,829,787	-	1,829,787
Interest	274,172	-	274,172
Total	<u>\$ 16,277,305</u>	<u>\$ 3,810,350</u>	<u>\$ 20,087,655</u>

	2023		
	Resident Services	General and Administrative	Total
Salaries and wages	\$ 7,099,611	\$ 1,766,523	\$ 8,866,134
Payroll taxes and employee benefits	1,127,368	563,136	1,690,504
Supplies and other expenses	4,970,636	1,011,834	5,982,470
Depreciation	1,776,235	-	1,776,235
Interest	330,756	-	330,756
Total	<u>\$ 15,304,606</u>	<u>\$ 3,341,493</u>	<u>\$ 18,646,099</u>

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Trustees of
Wiley Mission and Controlled Entity

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Wiley Mission and Controlled Entity (the Corporation), which comprise the Corporation's consolidated balance sheet as of December 31, 2024, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Iselin, New Jersey
June 14, 2025

Wiley Mission and Controlled EntityConsolidating Schedule, Balance Sheet
December 31, 2024

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 1,098,778	\$ 99,851	\$ -	\$ 1,198,629
Resident trust funds	135,431	-	-	135,431
Assets whose use is limited	76,725	-	-	76,725
Accounts receivable, net:				
Residents	1,055,684	169,648	-	1,225,332
Other	67,977	9,789	-	77,766
Prepaid expenses and other current assets	1,293	-	-	1,293
Total current assets	2,435,888	279,288	-	2,715,176
Due From Affiliate	5,674,067	-	(5,674,067)	-
Investments	7,068,645	-	-	7,068,645
Derivative Financial Instruments	64,843	-	-	64,843
Beneficial Interest in Perpetual Trust	132,093	-	-	132,093
Property and Equipment, Net	17,821,800	333,163	-	18,154,963
Total assets	<u>\$ 33,197,336</u>	<u>\$ 612,451</u>	<u>\$ (5,674,067)</u>	<u>\$ 28,135,720</u>
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Current maturities of long-term debt	\$ 1,108,795	\$ -	\$ -	\$ 1,108,795
Accounts payable, trade	397,349	48,118	-	445,467
Accrued expenses	675,236	124,067	-	799,303
Resident trust funds	111,714	-	-	111,714
Other current liabilities	5,478	-	-	5,478
Total current liabilities	2,298,572	172,185	-	2,470,757
Due to Affiliate	-	5,674,067	(5,674,067)	-
Long-Term Debt, Net	3,015,912	-	-	3,015,912
Refundable Fees and Deposits	76,725	-	-	76,725
Deferred Revenues From Entrance Fees	9,581,358	-	-	9,581,358
Total liabilities	<u>14,972,567</u>	<u>5,846,252</u>	<u>(5,674,067)</u>	<u>15,144,752</u>
Net Assets (Deficit)				
Without donor restrictions	18,092,676	(5,233,801)	-	12,858,875
With donor restrictions	132,093	-	-	132,093
Total net assets (deficit)	<u>18,224,769</u>	<u>(5,233,801)</u>	<u>-</u>	<u>12,990,968</u>
Total liabilities and net assets (deficit)	<u>\$ 33,197,336</u>	<u>\$ 612,451</u>	<u>\$ (5,674,067)</u>	<u>\$ 28,135,720</u>

Wiley Mission and Controlled Entity

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2024

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Revenues Without Donor Restrictions				
Health center	\$ 10,478,666	\$ -	\$ -	\$ 10,478,666
Residential	2,131,844	-	-	2,131,844
Independent living	4,464,257	-	-	4,464,257
Amortization of entrance fees	1,720,645	-	-	1,720,645
Adult day services	-	2,212,041	-	2,212,041
Ancillaries	613,747	-	-	613,747
Other	80,751	-	-	80,751
Contractual adjustments	(2,598,396)	-	-	(2,598,396)
Net resident service revenues	16,891,514	2,212,041	-	19,103,555
Other operating revenues	643,206	100,000	-	743,206
Contributions	556,166	845	-	557,011
Investment income	379,216	9	-	379,225
Total revenues without donor restrictions	18,470,102	2,312,895	-	20,782,997
Expenses				
Nursing:				
Salaries and wages	4,739,459	234,224	-	4,973,683
Payroll taxes and employee benefits	620,276	153,862	-	774,138
Other	1,123,717	223,909	-	1,347,626
Total	6,483,452	611,995	-	7,095,447
Dietary:				
Salaries and wages	865,140	-	-	865,140
Payroll taxes and employee benefits	187,221	-	-	187,221
Other	940,379	209,733	-	1,150,112
Total	1,992,740	209,733	-	2,202,473
Housekeeping and Laundry:				
Salaries and wages	476,722	-	-	476,722
Payroll taxes and employee benefits	87,272	-	-	87,272
Other	178,083	48,825	-	226,908
Total	742,077	48,825	-	790,902
Social Services and Activities:				
Salaries and wages	518,460	595,110	-	1,113,570
Payroll taxes and employee benefits	60,252	50,565	-	110,817
Other	112,429	-	-	112,429
Total	691,141	645,675	-	1,336,816
Plant Operations:				
Salaries and wages	515,610	-	-	515,610
Payroll taxes and employee benefits	57,226	-	-	57,226
Other	1,857,821	317,051	-	2,174,872
Total	2,430,657	317,051	-	2,747,708

Wiley Mission and Controlled Entity

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2024

	<u>Wiley Mission</u>	<u>Wiley Christian Adult Day Services, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Expenses (Continued)				
General and Administrative:				
Salaries and wages	\$ 1,607,525	\$ 320,622	\$ -	\$ 1,928,147
Payroll taxes and employee benefits	559,894	62,990	-	622,884
Other	1,221,588	37,731	-	1,259,319
Total	<u>3,389,007</u>	<u>421,343</u>	<u>-</u>	<u>3,810,350</u>
Depreciation	<u>1,773,789</u>	<u>55,998</u>	<u>-</u>	<u>1,829,787</u>
Interest	<u>274,172</u>	<u>-</u>	<u>-</u>	<u>274,172</u>
Total expenses	<u>17,777,035</u>	<u>2,310,620</u>	<u>-</u>	<u>20,087,655</u>
Operating income	693,067	2,275	-	695,342
Unrealized Gain on Investments	517,339	-	-	517,339
Unrealized Gain on Derivative Financial Instruments	<u>177,226</u>	<u>-</u>	<u>-</u>	<u>177,226</u>
Revenues in excess of expenses and change in net assets (deficit) without donor restrictions	1,387,632	2,275	-	1,389,907
Net Assets With Donor Restrictions				
Valuation gain, beneficial interest in perpetual trust	<u>5,308</u>	<u>-</u>	<u>-</u>	<u>5,308</u>
Change in net assets (deficit)	1,392,940	2,275	-	1,395,215
Net Assets (Deficit), Beginning	<u>16,831,829</u>	<u>(5,236,076)</u>	<u>-</u>	<u>11,595,753</u>
Net Assets (Deficit), Ending	<u>\$ 18,224,769</u>	<u>\$ (5,233,801)</u>	<u>\$ -</u>	<u>\$ 12,990,968</u>

Wiley Mission and Controlled EntityConsolidating Schedule, Balance Sheet
December 31, 2023

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 752,229	\$ 132,762	\$ -	\$ 884,991
Resident trust funds	130,606	-	-	130,606
Assets whose use is limited	58,725	-	-	58,725
Accounts receivable, net:				
Residents	1,039,217	189,837	-	1,229,054
Other	35,231	8,867	-	44,098
Prepaid expenses and other current assets	2,189	-	-	2,189
Total current assets	2,018,197	331,466	-	2,349,663
Due From Affiliate	5,715,692	-	(5,715,692)	-
Investments	6,202,605	-	-	6,202,605
Beneficial Interest in Perpetual Trust	126,785	-	-	126,785
Property and Equipment, Net	17,791,376	335,740	-	18,127,116
Total assets	<u>\$ 31,854,655</u>	<u>\$ 667,206</u>	<u>\$ (5,715,692)</u>	<u>\$ 26,806,169</u>
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Current maturities of long-term debt	\$ 1,081,713	\$ -	\$ -	\$ 1,081,713
Accounts payable, trade	332,188	77,145	-	409,333
Accrued expenses	609,327	110,445	-	719,772
Resident trust funds	106,889	-	-	106,889
Other current liabilities	15,134	-	-	15,134
Total current liabilities	2,145,251	187,590	-	2,332,841
Due to Affiliate	-	5,715,692	(5,715,692)	-
Long-Term Debt, Net	4,105,105	-	-	4,105,105
Refundable Fees and Deposits	59,725	-	-	59,725
Deferred Revenues From Entrance Fees	8,600,362	-	-	8,600,362
Derivative Financial Instruments	112,383	-	-	112,383
Total liabilities	15,022,826	5,903,282	(5,715,692)	15,210,416
Net Assets (Deficit)				
Without donor restrictions	16,705,044	(5,236,076)	-	11,468,968
With donor restrictions	126,785	-	-	126,785
Total net assets (deficit)	16,831,829	(5,236,076)	-	11,595,753
Total liabilities and net assets (deficit)	<u>\$ 31,854,655</u>	<u>\$ 667,206</u>	<u>\$ (5,715,692)</u>	<u>\$ 26,806,169</u>

Wiley Mission and Controlled EntityConsolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2023

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Revenues Without Donor Restrictions				
Health center	\$ 10,026,025	\$ -	\$ -	\$ 10,026,025
Residential	1,776,699	-	-	1,776,699
Independent living	4,255,749	-	-	4,255,749
Amortization of entrance fees	1,717,851	-	-	1,717,851
Adult day services	-	1,837,587	-	1,837,587
Ancillaries	754,942	-	-	754,942
Other	38,791	-	-	38,791
Contractual adjustments	(2,524,533)	-	-	(2,524,533)
Net resident service revenues	16,045,524	1,837,587	-	17,883,111
Other operating revenues	831,196	101,700	-	932,896
Contributions	522,375	690	-	523,065
Investment income	126,676	44	-	126,720
Total revenues without donor restrictions	17,525,771	1,940,021	-	19,465,792
Expenses				
Nursing:				
Salaries and wages	4,197,182	216,383	-	4,413,565
Payroll taxes and employee benefits	565,049	157,057	-	722,106
Other	1,553,545	169,776	-	1,723,321
Total	6,315,776	543,216	-	6,858,992
Dietary:				
Salaries and wages	791,494	-	-	791,494
Payroll taxes and employee benefits	177,081	-	-	177,081
Other	776,340	179,026	-	955,366
Total	1,744,915	179,026	-	1,923,941
Housekeeping and Laundry:				
Salaries and wages	413,918	-	-	413,918
Payroll taxes and employee benefits	80,646	-	-	80,646
Other	111,245	44,500	-	155,745
Total	605,809	44,500	-	650,309
Social Services and Activities:				
Salaries and wages	475,308	566,301	-	1,041,609
Payroll taxes and employee benefits	53,844	48,375	-	102,219
Other	109,056	-	-	109,056
Total	638,208	614,676	-	1,252,884
Plant Operations:				
Salaries and wages	439,025	-	-	439,025
Payroll taxes and employee benefits	45,316	-	-	45,316
Other	1,690,298	336,850	-	2,027,148
Total	2,174,639	336,850	-	2,511,489

Wiley Mission and Controlled EntityConsolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2023

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Expenses (Continued)				
General and Administrative:				
Salaries and wages	\$ 1,444,014	\$ 322,509	\$ -	\$ 1,766,523
Payroll taxes and employee benefits	510,768	52,368	-	563,136
Other	993,116	18,718	-	1,011,834
Total	2,947,898	393,595	-	3,341,493
Depreciation	1,720,348	55,887	-	1,776,235
Interest	330,756	-	-	330,756
Total expenses	16,478,349	2,167,750	-	18,646,099
Operating income (loss)	1,047,422	(227,729)	-	819,693
Unrealized Loss on Investments	751,278	-	-	751,278
Unrealized Gain on Derivative Financial Instruments	8,026	-	-	8,026
Revenues in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	1,806,726	(227,729)	-	1,578,997
Net Assets With Donor Restrictions				
Valuation loss, beneficial interest In perpetual trust	7,817	-	-	7,817
Change in net assets (deficit)	1,814,543	(227,729)	-	1,586,814
Net Assets (Deficit), Beginning	15,017,286	(5,008,347)	-	10,008,939
Net Assets (Deficit), Ending	<u>\$ 16,831,829</u>	<u>\$ (5,236,076)</u>	<u>\$ -</u>	<u>\$ 11,595,753</u>

Wiley Mission and Controlled Entity

Schedule of Expenditures of Federal Award (and State Passthrough Award)

Year Ended December 31, 2024

<u>Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Agency</u>	<u>Pass-Through Agency Grant Number</u>	<u>Total Expenditures</u>	<u>Payments Made to Subrecipients</u>
U.S. Department of Agriculture Child and Adult Care Food Program	10.558	New Jersey Department of Agriculture	N/A	<u>\$ 124,397</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal and state awards

Wiley Mission and Controlled Entity

Notes to Schedule of Federal Award (and State Passthrough Award)

Year Ended December 31, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal award (and state passthrough award) (the Schedule) includes the federal award activity of Wiley Mission and Controlled Entity (the Corporation) under programs of the federal government for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of the State of New Jersey, Department of Treasury, OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* (NJOMB 15-08). Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Corporation.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Expenditures are recognized following the cost principles contained in NJOMB 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

The Corporation has not elected to use the 10% de minimis indirect cost rate.