Wiley Mission and Controlled Entity

Consolidated Financial Statements
and Supplementary Information

December 31, 2025 and 2024

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, 2025 and 2024, 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, 2025 and 2024, 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 21 to 26 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 and state awards and the related notes and schedule of findings and responses on pages 27-29, as required by the New Jersey Office of Management and Budget Circular 25-12; *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are 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 May 29, 2026 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
May 29, 2026

Wiley Mission and Controlled Entity

Consolidated Balance Sheets
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 1,613,182	$ 1,198,629
Resident trust funds	144,803	135,431
Assets whose use is limited	90,682	76,725
Accounts receivable, net:		
Residents	2,078,054	1,225,332
Other	263,551	77,766
Total current assets	4,190,272	2,713,883
Investments	7,716,559	7,068,645
Derivative Financial Instruments	72,777	64,843
Beneficial Interest in Perpetual Trust	141,210	132,093
Property and Equipment, Net	18,527,580	18,154,963
Total assets	$ 30,648,398	$ 28,134,427
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 1,012,280	$ 1,108,795
Accounts payable, trade	678,854	445,467
Accrued expenses	975,613	803,488
Resident trust funds	121,087	111,714
Total current liabilities	2,787,834	2,469,464
Long-Term Debt, Net	2,023,230	3,015,912
Refundable Fees and Deposits	89,682	76,725
Deferred Revenues From Entrance Fees	10,482,277	9,581,358
Total liabilities	15,383,023	15,143,459
Net Assets		
Without donor restrictions	15,124,165	12,858,875
With donor restrictions	141,210	132,093
Total net assets	15,265,375	12,990,968
Total liabilities and net assets	$ 30,648,398	$ 28,134,427

See notes to consolidated financial statements

Wiley Mission and Controlled Entity

Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2025 and 2024

	2025	2024
Revenues Without Donor Restrictions		
Net resident service revenues	$ 23,143,675	$19,103,555
Other operating revenues	1,245,882	743,206
Contributions	943,959	557,011
Investment income	396,630	379,225
Total revenues without donor restrictions	25,730,146	20,782,997
Expenses		
Nursing	9,518,916	7,095,447
Dietary	2,560,428	2,202,991
Housekeeping and laundry	868,224	790,902
Social services and activities	1,382,298	1,336,816
Plant operations	3,017,702	2,747,190
General and administrative	4,688,224	3,810,350
Depreciation	1,944,278	1,829,787
Interest	207,295	274,172
Total expenses	24,187,365	20,087,655
Operating income	1,542,781	695,342
Unrealized Gain on Investments	714,575	517,339
Unrealized Gain on Derivative Financial Instruments	7,934	177,226
Revenues in excess of expenses and change in net assets without donor restrictions	2,265,290	1,389,907
Net Assets With Donor Restrictions		
Valuation gain, beneficial interest in perpetual trust	9,117	5,308
Change in net assets	2,274,407	1,395,215
Net Assets, Beginning	12,990,968	11,595,753
Net Assets, Ending	$ 15,265,375	$ 12,990,968

See notes to consolidated financial statements

Wiley Mission and Controlled Entity

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 2,274,407	$ 1,395,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for credit losses	260,921	250,110
Depreciation	1,944,278	1,829,787
Noncash interest, amortization of deferred financing fees	19,600	19,600
Net realized and unrealized gain on investments	(774,295)	(583,979)
Unrealized gain on derivative financial instruments	(7,934)	(177,226)
Valuation gain, beneficial interest in perpetual trust	(9,117)	(5,308)
Proceeds from entrance fees and refundable deposits	2,640,625	2,718,641
Amortization of entrance fees	(1,726,749)	(1,720,645)
Changes in assets and liabilities:		
Accounts receivable	(1,299,428)	(280,056)
Accounts payable, trade	233,387	36,134
Accrued expenses	172,125	70,771
Resident trust funds liability	9,373	4,825
Net cash provided by operating activities	3,737,193	3,557,869
Cash Flows From Investing Activities		
Net sales (purchases) of investments	126,381	(282,061)
Purchases of property and equipment	(2,316,895)	(1,857,634)
Net cash used in investing activities	(2,190,514)	(2,139,695)
Cash Flows From Financing Activities		
Repayment of long-term debt	(1,108,797)	(1,081,711)
Net cash used in financing activities	(1,108,797)	(1,081,711)
Net change in cash, cash equivalents and restricted cash and cash equivalents	437,882	336,463
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	1,410,785	1,074,322
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 1,848,667	$ 1,410,785
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 187,695	$ 254,572

See notes to consolidated financial statements

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 that provides housing, healthcare, and other related services to elderly residents. Operations include an 86-bed nursing facility (76 licensed beds in use), a 53-bed residential healthcare facility (39 licensed beds in use), 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:

	2025	2024
Cash and cash equivalents	$ 1,613,182	$ 1,198,629
Resident trust funds	144,803	135,431
Cash and cash equivalents included in assets whose use is limited	90,682	76,725
Total cash, cash equivalents and restricted cash and cash equivalents	$ 1,848,667	$ 1,410,785

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 allowance for credit losses was approximately $479,000 and $517,000 at December 31, 2025 and 2024, respectively. Resident accounts receivable was approximately $1,229,000 at December 31, 2023.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the consolidated balance sheets.

Investment income (including realized gains and losses on investments, interest and dividends) and unrealized gain on investments 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.

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 and are presented as a direct reduction of long-term debt. Amortization expense approximated $19,600 in both 2025 and 2024.

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 consist primarily of entrance fee deposits paid to reserve a residence at the Community. These deposits become part of the entrance fee when a resident executes a residence and care agreement and occupies a unit. The fees are refundable within 90 days or upon re-occupancy, whichever occurs first, following termination of the residence and care agreement. Resident deposits also include security deposits paid in advance to cover potential costs incurred 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 were approximately $4,718,000 at December 31, 2025.

Obligation to Provide Future Services

The Community engages an independent actuary once every third year 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. If the present value of the net cost of future services and the use of facilities exceeds deferred revenues from entrance fees, an additional liability is recorded. As a result of the calculation, the present value of the net cost of future services and the use of facilities did not exceed deferred revenues from entrance fees; accordingly, no additional liability was recorded at December 31, 2025 or 2024.

Derivative Financial Instruments

The Corporation has entered into multiple interest rate swap agreements, which are considered derivative financial instruments to manage its interest rate risk on its long-term debt. The interest rate swap agreements are reported at fair value in the consolidated balance sheets and related changes in fair value are reported in the consolidated statements of operations and changed in net assets as an unrealized gain on derivative financial instruments.

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.

The Corporation's ending contract liabilities are separately presented on the consolidated balance sheets as of December 31, 2025 and 2024.

Contract liabilities as of December 31, 2023 included deferred revenue from entrance fees of $8,600,362.

Income Taxes

The Community and Adult Day are not-for-profit corporations 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

Revenues in excess of expenses is the performance indicator which includes revenues from operations and operating expenses. Changes in net deficit without donor restrictions which are excluded from revenues in excess of expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), if any.

Reclassifications

Certain reclassifications have been made to prior year financial statement amounts to conform to the current year's presentation. These reclassifications had no impact on the previously reported change in net assets or cash flows.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through May 29, 2026, the date the consolidated financial statements were available to be issued.

2. 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:

	2025	2024
Cash and cash equivalents	$ 1,613,182	$ 1,198,629
Accounts receivable, net	2,341,605	1,303,098
Investments	7,716,559	7,068,645
Total	$ 11,671,346	$ 9,570,372

The Corporation has wait list deposits in current assets whose use is limited that are not available for general expenditure within the next year and are excluded from 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.

3. Net Resident Service Revenues

Net resident service revenues consist of the following for the years ended December 31, 2025 and 2024:

	2025					
	Skilled Nursing	Residential Health Care	Independent Living	Adult Day Services	Outpatient and Other	Total
Private	$ 4,209,195	$ 2,226,573	$ 4,639,586	$ 146,929	$ 153,307	$ 11,375,590
Medicare	5,632,391	-	-	-	688,759	6,321,150
Medicaid	1,555,202	-	-	2,164,984	-	3,720,186
	$ 11,396,788	$ 2,226,573	$ 4,639,586	$ 2,311,913	$ 842,066	21,416,926
Amortization of entrance fees						1,726,749
Net resident service revenues						$ 23,143,675

	2024					
	Skilled Nursing	Residential Health Care	Independent Living	Adult Day Services	Outpatient and Other	Total
Private	$ 4,698,932	$ 2,111,502	$ 4,464,257	$ 124,545	$ 165,566	$ 11,564,802
Medicare	2,007,341	-	-	-	536,414	2,543,755
Medicaid	1,186,857	-	-	2,087,496	-	3,274,353
	$ 7,893,130	$ 2,111,502	$ 4,464,257	$ 2,212,041	$ 701,980	17,382,910
Amortization of entrance fees						1,720,645
Net resident service revenues						$ 19,103,555

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.

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

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to dispose of a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is 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:

	2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Assets:				
Investments and assets whose use is limited:				
U.S. government obligations	$ 59,623	$ -	$ 59,623	$ -
Corporate bonds	252,964	-	252,964	-
International funds	20,032	-	20,032	-
Marketable equity securities	1,664,216	1,664,216	-	-
Mutual funds:			-	-
Equity	3,824,902	3,824,902	-	-
Fixed income	457,644	457,644	-	-
Mortgage-backed securities	125,097	-	125,097	-
	$ 6,404,478	$ 5,946,762	$ 457,716	$ -
Beneficial interest in perpetual trust	$ 141,210	$ -	-	$ 141,210
Derivative financial instruments	$ 72,777	$ -	72,777	$ -

	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	1,653,076	1,653,076	-	-
Mutual funds:				
Equity	3,349,805	3,349,805	-	-
Fixed income	425,196	425,196	-	-
Mortgage-backed securities	79,603	-	79,603	-
	$ 5,817,949	$ 5,428,077	$ 389,872	$ -
Beneficial interest in perpetual trust	$ 132,093	$ -	$ -	$ 132,093
Derivative financial instruments	$ 64,843	$ -	$ 64,843	$ -

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, 2025 and 2024.

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 be paid to terminate the interest rate swap agreements.

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

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	2025	2024
Investments reported at fair value	$ 6,404,478	$ 5,817,949
Unit investment trusts reported at net asset value (NAV) per share	1,171,093	926,469
Cash and cash equivalents included in investments and assets whose use is limited	231,670	400,952
Total investments and assets whose use is limited	$ 7,807,241	$ 7,145,370

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:

	2025	2024
Interest and dividends	$ 336,910	$ 312,585
Net realized gain on sales of investments	59,720	66,640
Investment income	396,630	379,225
Net unrealized gain on investments	714,575	517,339
Total investment return	$ 1,111,205	$ 896,564

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, 2025 was approximately $2,081,000. Management believes that the Corporation complied with the requirements of the Act as of December 31, 2025.

5. Property and Equipment

Property and equipment consist of the following at December 31:

	2025	2024
Land and land improvements	$ 23,377	$ 23,377
Building and building improvements	49,914,780	48,697,039
Furniture and equipment	8,510,671	7,632,143
Automobiles	981,839	768,049
Construction in progress	6,836	-
Total	59,437,503	57,120,608
Less accumulated depreciation	40,909,923	38,965,645
Total	$ 18,527,580	$ 18,154,963

6. Long-Term Debt

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

	2025	2024
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 3.93% at December 31, 2025.	$ 2,863,249	$ 3,598,748
TD Bank, N.A. Loan	248,863	622,161
Total	3,112,112	4,220,909
Less:		
Current maturities	1,012,280	1,108,795
Deferred financing costs	76,602	96,202
Long-term debt	$ 2,023,230	$ 3,015,912

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 variable rate of the bonds as of December 31, 2025 was 3.96%. 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 6.23% at December 31, 2025. The loan is secured by the real property and improvements specified 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:	
2026	$ 1,012,280
2027	790,499
2028	820,499
2029	488,834
Total	$ 3,112,112

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 $1,560,000 on December 31, 2025. The second swap fixes the interest at 3.25% through July 1, 2029, on a notional amount of $1,565,000 on December 31, 2025.

Payments to or from the counterparty to the swap agreement are classified as a component of interest expense. At December 31, 2025 and 2024, the estimated fair value of the swap agreements was an asset of $72,777 and $64,843, respectively, which is included as derivative financial instruments on the consolidated balance sheets. The change in the fair value of the swap agreements was $7,934 in 2025 and $177,226 in 2024 and is included in the performance indicator since the agreements are not designated as hedging instruments. During 2025 and 2024, the net (payment) receipts, included in interest expense, on the interest rate swap agreements totaled approximately ($17,400) and $4,000, respectively.

8. Retirement Plan

The Corporation sponsors a defined contribution retirement plan. Plan expense was approximately $65,000 in 2025 and $62,000 in 2024.

9. Medical Malpractice Claims Coverage

The Corporation maintains claims-made medical malpractice insurance coverage with limits of $1,000,000 per occurrence and $3,000,000 in the aggregate. Management is not aware of any claims in excess of insurance coverage that require accrual as of December 31, 2025 and 2024, respectively.

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.

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:

	2025		
	Resident Services	General and Administrative	Total
Salaries and wages	$ 9,647,692	$ 2,562,818	$ 12,210,510
Payroll taxes and employee benefits	1,461,690	721,552	2,183,242
Supplies and other expenses	6,238,186	1,403,854	7,642,040
Depreciation	1,944,278	-	1,944,278
Interest	207,295	-	207,295
Total	$ 19,499,141	$ 4,688,224	$ 24,187,365

	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	$ 16,277,305	$ 3,810,350	$ 20,087,655

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, 2025, 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 May 29, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001, 2025-002 and 2025-003, that we consider to be significant deficiencies.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-001, 2025-002 and 2025-003.

The Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Corporation's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
May 29, 2026

Wiley Mission and Controlled Entity

Consolidating Schedule, Balance Sheet
December 31, 2025

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	1,465,839	$ 147,343	$ -	$ 1,613,182
Resident trust funds	144,803	-	-	144,803
Assets whose use is limited	90,682	-	-	90,682
Accounts receivable, net:				
Residents	1,808,536	269,518	-	2,078,054
Other	250,853	12,698	-	263,551
Total current assets	3,760,713	429,559	-	4,190,272
Due From Affiliate	5,839,069	-	(5,839,069)	-
Investments	7,716,559	-	-	7,716,559
Derivative Financial Instruments	72,777	-	-	72,777
Beneficial Interest in Perpetual Trust	141,210	-	-	141,210
Property and Equipment, Net	17,885,064	642,516	-	18,527,580
Total assets	35,415,392	$ 1,072,075	$ (5,839,069)	$ 30,648,398
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Current maturities of long-term debt	1,012,280	$ -	$ -	$ 1,012,280
Accounts payable, trade	617,925	60,929	-	678,854
Accrued expenses	843,711	131,902	-	975,613
Resident trust funds	121,087	-	-	121,087
Total current liabilities	2,595,003	192,831	-	2,787,834
Due to Affiliate	-	5,839,069	(5,839,069)	-
Long-Term Debt, Net	2,023,230	-	-	2,023,230
Refundable Fees and Deposits	89,682	-	-	89,682
Deferred Revenues From Entrance Fees	10,482,277	-	-	10,482,277
Total liabilities	15,190,192	6,031,900	(5,839,069)	15,383,023
Net Assets (Deficit)				
Without donor restrictions	20,083,990	(4,959,825)	-	15,124,165
With donor restrictions	141,210	-	-	141,210
Total net assets (deficit)	20,225,200	(4,959,825)	-	15,265,375
Total liabilities and net assets (deficit)	35,415,392	$ 1,072,075	$ (5,839,069)	$ 30,648,398

Wiley Mission and Controlled Entity

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2025

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Revenues Without Donor Restrictions				
Health center	$ 11,396,788	$ -	$ -	$ 11,396,788
Residential	2,226,573	-	-	2,226,573
Independent living	4,639,586	-	-	4,639,586
Amortization of entrance fees	1,726,749	-	-	1,726,749
Adult day services	-	2,311,913	-	2,311,913
Other	842,066	-	-	842,066
Net resident service revenues	20,831,762	2,311,913	-	23,143,675
Other operating revenues	919,647	326,235	-	1,245,882
Contributions	942,729	1,230	-	943,959
Investment income	396,630	-	-	396,630
Total revenues without donor restrictions	23,090,768	2,639,378	-	25,730,146
Expenses				
Nursing				
Salaries and wages	6,119,369	269,716	-	6,389,085
Payroll taxes and employee benefits	794,856	161,205	-	956,061
Other	2,009,724	164,046	-	2,173,770
Total	8,923,949	594,967	-	9,518,916
Dietary				
Salaries and wages	964,222	-	-	964,222
Payroll taxes and employee benefits	202,401	-	-	202,401
Other	1,124,290	269,515	-	1,393,805
Total	2,290,913	269,515	-	2,560,428
Housekeeping and Laundry				
Salaries and wages	538,542	-	-	538,542
Payroll taxes and employee benefits	90,112	-	-	90,112
Other	188,095	51,475	-	239,570
Total	816,749	51,475	-	868,224
Social Services and Activities				
Salaries and wages	583,760	559,146	-	1,142,906
Payroll taxes and employee benefits	71,525	46,520	-	118,045
Other	121,347	-	-	121,347
Total	776,632	605,666	-	1,382,298
Plant Operations				
Salaries and wages	612,937	-	-	612,937
Payroll taxes and employee benefits	95,071	-	-	95,071
Other	1,997,120	312,574	-	2,309,694
Total	2,705,128	312,574	-	3,017,702

Wiley Mission and Controlled Entity

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2025

	Wiley Mission	Wiley Christian Adult Day Services, Inc.	Eliminations	Total
Expenses				
General and Administrative				
Salaries and wages	$ 2,203,116	$ 359,702	$ -	$ 2,562,818
Payroll taxes and employee benefits	665,066	56,486	-	721,552
Other	1,371,287	32,567	-	1,403,854
Total	4,239,469	448,755	-	4,688,224
Depreciation	1,861,828	82,450	-	1,944,278
Interest	207,295	-	-	207,295
Total expenses	21,821,963	2,365,402	-	24,187,365
Operating income	1,268,805	273,976	-	1,542,781
Unrealized Gain on Investments	714,575	-	-	714,575
Unrealized Gain on Derivative Financial Instruments	7,934	-	-	7,934
Revenues in excess of expenses and change in net assets (deficit) without donor restrictions	1,991,314	273,976	-	2,265,290
Net Assets With Donor Restrictions				
Valuation gain, beneficial interest in perpetual trust	9,117	-	-	9,117
Change in net assets (deficit)	2,000,431	273,976	-	2,274,407
Net Assets (Deficit), Beginning	18,224,769	(5,233,801)	-	12,990,968
Net Assets (Deficit), Ending	$ 20,225,200	$ (4,959,825)	$ -	$ 15,265,375

Wiley Mission and Controlled Entity

Consolidating 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
Total current assets	2,434,595	279,288	-	2,713,883
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	$ 33,196,043	$ 612,451	$ (5,674,067)	$ 28,134,427
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	679,421	124,067	-	803,488
Resident trust funds	111,714	-	-	111,714
Total current liabilities	2,297,279	172,185	-	2,469,464
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	14,971,274	5,846,252	(5,674,067)	15,143,459
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)	18,224,769	(5,233,801)	-	12,990,968
Total liabilities and net assets (deficit)	$ 33,196,043	$ 612,451	$ (5,674,067)	$ 28,134,427

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	$ 7,893,130	$ -	$ -	$ 7,893,130
Residential	2,111,502	-	-	2,111,502
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
Other	701,980	-	-	701,980
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	210,251	-	1,150,630
Total	1,992,740	210,251	-	2,202,991
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	316,533	-	2,174,354
Total	2,430,657	316,533	-	2,747,190

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
Expenses				
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	3,389,007	421,343	-	3,810,350
Depreciation	1,773,789	55,998	-	1,829,787
Interest	274,172	-	-	274,172
Total expenses	17,777,035	2,310,620	-	20,087,655
Operating income	693,067	2,275	-	695,342
Unrealized Gain on Investments	517,339	-	-	517,339
Unrealized Gain on Derivative Financial Instruments	177,226	-	-	177,226
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	5,308	-	-	5,308
Change in net assets (deficit)	1,392,940	2,275	-	1,395,215
Net Assets (Deficit), Beginning	16,831,829	(5,236,076)	-	11,595,753
Net Assets (Deficit), Ending	$ 18,224,769	$ (5,233,801)	$ -	$ 12,990,968

Wiley Mission and Controlled Entity

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2025

Grantor/Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Grant Number	Total Expenditures	Payments Made to Subrecipients
Federal Awards					
U.S. Department of Agriculture:					
Child and Adult Care Food Program	10.558	New Jersey Department of Agriculture	N/A	$ 137,583	$ -
U.S. Department of Transportation:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	New Jersey Transit Corporation	N/A	152,704	-
U.S. Department of Homeland Security:					
Non-Profit Security Program	97.008	New Jersy Department of Homeland Security and Preparedness	N/A	294,761	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	New Jersey Office of Emergency Management	N/A	13,176	-
Tota U.S. Department of Homeland Security				307,937	-
Total federal awards				$ 598,224	$ -
State Awards					
New Jersey Transit Corporation:					
Enhanced Mobility of Seniors and Individuals with Disabilities	N/A	N/A	N/A	$ 38,176	$ -
Total state awards				$ 38,176	$ -

See notes to schedule of expenditures of federal and state awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of Wiley Mission and Controlled Entity (the Corporation) under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of the State of New Jersey, Department of Treasury, OMB Circular 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* (NJOMB 25-12). 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 25-12, 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.

Financial Statement Findings Required to be Reported in Accordance With *Government Auditing Standards*

Finding 2025-001: Significant Deficiency - Recognition of Contributions and Bequest

Criteria: Under ASC 958-605, bequests are recognized as contribution revenue when Wiley Misison and Controlled Entities (the Corporation) has an established right to the bequest, the amount is measurable, and collection is reasonably assured.

Condition: The Corporation did not recognize an unrestricted bequest in the appropriate reporting period, resulting in an understatement of accounts receivable and contribution revenue in 2024 and an overstatement of contribution revenue in 2025.

Cause: In 2023, the Corporation received notification that it was a beneficiary of an unrestricted bequest following the donor's death. In 2024, management received additional correspondence specifying the amount to be distributed. Management did not record the related receivable and contribution revenue in 2024. The error was identified during the audit, and a correcting entry was subsequently recorded in 2025.

Effect or Potential Effect: Accounts receivable and contribution revenue were understated by approximately $299,000 in 2024. As a result, beginning net assets were understated and contribution revenue was overstated by the same approximate amount in 2025 following the audit adjustment.

Recommendation: We recommend the Corporation establish formal policies and procedures for the identification, evaluation, and timely recognition of donor contributions and bequests, including maintaining documentation and monitoring correspondence related to estate distributions.

Management's Response: Management agrees with the finding and will implement procedures to improve the tracking and timely recording of donor contributions and bequests.

Finding 2025-002: Significant Deficiency - Financial Statement Close

Criteria: Management is responsible for establishing and maintaining internal controls over financial reporting, including procedures to ensure the timely and accurate preparation of financial statements and related disclosures in conformity with U.S. GAAP.

Condition: Audit procedures identified that the Corporation did not accurately record year-end accruals related to payroll and compensated absences as part of the financial statement close process.

Cause: The Corporation did not adequately review and update payroll-related accruals and compensated absences balances during the year-end closing process. Existing internal controls over financial reporting did not detect these errors prior to the audit.

Effect or Potential Effect: As of December 31, 2025, accrued liabilities and related expenses associated with payroll and compensated absences were understated by approximately $400,000 prior to the audit adjustment.

Recommendation: We recommend the Corporation strengthen its year-end financial reporting and closing procedures to ensure payroll-related accruals and compensated absences balances are reviewed, reconciled, and recorded timely and accurately. Management should also enhance review controls designed to detect errors in the financial reporting process prior to completion of the audit.

Management's Response: Management agrees with the finding and will implement additional procedures and review controls to improve the timely and accurate recording of payroll-related accruals and compensated absences as part of the financial statement close process.

Finding 2025-003: Significant Deficiency - Tracking Investment Cost

Criteria: Management relies on investment statements provided by RBC Wealth Management and Charles Schwab to support the accurate reporting of realized and unrealized gains and losses in the financial statements in accordance with U.S. GAAP.

Condition: During audit procedures, we noted that investment statements provided by RBC Wealth Management and Charles Schwab did not include cost basis information for 19 investments with an aggregate fair value of approximately $3,588,000 as of December 31, 2025. Cost basis information is necessary to accurately calculate and report realized and unrealized gains and losses.

Cause: Certain investment statements provided by RBC Wealth Management and Charles Schwab did not include cost basis information for investments held in custody. Additionally, the Corporation did not maintain separate records to track the missing cost basis information.

Effect or Potential Effect: Although no sales activity related to the affected investments occurred during 2025, the absence of cost basis information could impair the Corporation’s ability to accurately calculate realized gains or losses upon future disposition of the securities. Additionally, the Corporation may be unable to independently verify the accuracy of unrealized gains and losses associated with these investments.

Recommendation: We recommend the Corporation implement procedures to independently maintain and periodically reconcile investment cost basis information for all investment securities. Management should also coordinate with RBC Wealth Management and Charles Schwab to obtain complete investment reporting, including cost basis information for all investments held in custody.

Management's Response: Management agrees with the finding and will implement procedures to maintain and reconcile investment cost basis information and coordinate with RBC Wealth Management and Charles Schwab to obtain complete investment reporting.