Over 5 million Americans are living with Alzheimer’s, and as many as 16 million will have the disease in 2050. The national cost of caring for those with Alzheimer’s disease is estimated to total $226 billion in 2015, increasing to $1 trillion by mid-century. Nearly one in three seniors who dies each year has a form of dementia. Wesley Homes is addressing this trend by developing new communities designed to accommodate people with dementia and programs to enhance the cognitive health of our residents. These programs include Music & Memory, Brain Fit and the LIFE program that promotes life-long learning. You’ll read more about these programs later in this report.

In 2014, we began the process of redeveloping the Des Moines campus. A plan was created to replace The Gardens, expand assisted living and memory care and develop a town center with many of the amenities people are looking for today. Plans for a new campus in Puyallup are progressing with the hope of breaking ground by early 2016. Construction started on the Lea Hill Health Center. Campus residents, employees and many friends and families of the South King County area raised over $2 million for this project. This dream could not have been realized without the generous support of so many!

We continue to build relationships with our elected officials. As we grow, their help and support is greatly appreciated. They understand our desire to provide high quality care and work with hospital systems or Accountable Care Organizations (ACO) to offer successful transitions for individuals from hospitals to health centers to home.

Over the past 70 years, Wesley Homes has served the needs of seniors and their families. We are grateful for your continued prayers and support as we continue in our mission.

Kevin Anderson
President / CEO

Edward Rogel
Board of Trustees Chair

*Alzheimer’s Association statistics
As the instances of dementia continue to increase, Wesley Homes is directing more resources to brain health.

The pilot program for Music & Memory℠ on the Des Moines campus, led by Chaplain Michael Byrd, is now an integral part of dementia care for Health Center residents. Music & Memory℠ uses personalized playlists on digital devices to tap into the deep memories of a person with dementia. They become more engaged with the world and are able to enjoy a better quality of life.

Carla Lopez-Wilkerson, Activity Coordinator, received her certification in November for the Music & Memory℠ program on the Lea Hill campus for residents of The Arbor. She also worked with Mosby Farms to create a Memory Care Pumpkin Patch, which helped to trigger muscle-memory of the residents. Whether they cleaned or cooked the produce, their hands knew what to do.

For independent and assisted living residents who wanted cognitive stimulation, Wesley Homes introduced Brain Fit classes. Brain Fit is based on Dr. Robert Winningham’s program to improve cognitive strength. By playing Taboo®, testing the senses, matching cartoons and captions, memorizing and word mining, residents can slightly rewire the structure of their brains to lessen and sometimes reverse memory decline and have fun while doing it.

Wesley Homes also initiated LIFE and Learning for Life classes. Comprised of classes taught by college instructors, The Great Courses and a series of lectures featuring residents or guest speakers, these “deliberate learning” programs had over 100 participants from both campuses and the greater community.

“Mom is much more verbal now. It seems that the Music & Memory program has unlocked part of my mom that was locked away. Thank you.”

PAT KELLY CHUBB
In 2014, Medicare.gov ranked Wesley Homes Home Health in the top 20 percent of home care agencies nationwide. This ranking is largely due to a hospital re-admission rate of **only nine percent** for patients compared to state and national averages of 15 and 16 percent. Most re-admissions to the hospital occur within the first 10 days after discharge. By diligently checking for fall risk and bed sores, we helped patients avoid re-hospitalization.

Wesley Homes Health Center has worked hard to meet ACO standards of care. They implemented PointClickCare®, software that uses electronic health records to help provide coordinated, high quality care with hospitals while controlling medical costs. We also added a 41-bed Transitional Care Unit for post-acute care to help patients recover quickly and safely return home. Physicians visit the health center every day, restorative therapies are provided seven days a week and registered nurses are available 24/7.

To provide a seamless transition from hospital to home, Wesley Homes launched Get Well, Stay Well. This program brings together care from the Des Moines Health Center and Wesley Homes Home Health. Both provide restorative therapies and transitional nursing care so that clients can get back on their feet whether a physician discharges them to the health center or directly to their homes.

Additional personal care support from a home health aide provides the final step to full recovery at home. This coordination and continuity of care makes it easier for clients to receive subsequent care at home, avoid unnecessary duplication of services and ultimately regain their highest functional level of independence and self-care. Most importantly, this continuity of care can help reduce the risk of relapse and hospital re-admission for most patients.

“The care service has done something I really didn’t expect and that is give me total peace of mind that my mother is perfectly fine at home while I am away during the day.”

**WESLEY HOMES HOME HEALTH CLIENT**
Growing the \textbf{continuum of care} in Auburn

Furthering our commitment to caring for older adults, Wesley Homes broke ground on the state-of-the-art Wesley Homes Lea Hill Health Center on September 10, 2014. This $10.6 million project, estimated to be completed in 2015, will offer skilled nursing, rehabilitation, private rooms and a sky bridge from Eby Lodge for convenient access for residents. This addition will complete the continuum of care on the Lea Hill campus and will serve all of the neighboring communities who have welcomed this project to South King County.

\textbf{Wesley Homes Lea Hill had an historic 2015!}

- 100 percent occupancy.
- Best of Auburn for Senior Living Facility.
- Received the Auburn Veteran’s Day Parade Curbside Competition Award, third year in a row.
- First daughter of a founding resident became a resident, too.
- Broke ground on the Lea Hill Health and Rehabilitation Center!

Your support has the power to enhance your community!

Visit our new website to learn how.

\url{foundation.wesleyhomes.org}
Wesley Homes & Subsidiaries

Including Wesley Homes Des Moines, Wesley Homes Lea Hill, Wesley Homes Foundation and Wesley Homes Community Health Services

Statement of Operations
Income Statement for the year ended December 31, 2014

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>(in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$39,222</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$41,116</td>
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<tr>
<td>Operating Loss</td>
<td>($1,894)</td>
</tr>
<tr>
<td>All Other Unrestricted Activity</td>
<td>$1,561</td>
</tr>
<tr>
<td>Change in Unrestricted Net Assets</td>
<td>($333)</td>
</tr>
<tr>
<td>Change in Temporarily Restricted Net Assets</td>
<td>$693</td>
</tr>
<tr>
<td>Change in Permanently Restricted Net Assets</td>
<td>$18</td>
</tr>
</tbody>
</table>

Change in Net Assets $378

The portions of operating expenses spent on administrative and fundraising for Wesley Homes and its subsidiaries were 22% and 1.5%, respectively.

Wesley Homes financial highlights are presented for convenience and information purposes only.

Statement of Financial Position
Balance Sheet as of December 31, 2014

<table>
<thead>
<tr>
<th>Assets</th>
<th>(in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Unrestricted Investments</td>
<td>$21,887</td>
</tr>
<tr>
<td>Restricted Investments</td>
<td>$14,776</td>
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<tr>
<td>Property and Equipment</td>
<td>$68,691</td>
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<tr>
<td>Other Assets</td>
<td>$7,346</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$112,700</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities &amp; Net Assets</th>
<th>(in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$4,589</td>
</tr>
<tr>
<td>Resident Entrance Fees</td>
<td>$29,320</td>
</tr>
<tr>
<td>Annuities Payable</td>
<td>$1,008</td>
</tr>
<tr>
<td>Loans and Mortgages</td>
<td>$49,581</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$84,498</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$28,202</td>
</tr>
<tr>
<td>Total Liabilities &amp; Net Assets</td>
<td>$112,700</td>
</tr>
</tbody>
</table>

funds your gifts supported

- Capital Investment
- Endowment
- Greatest Need
- Circle of Concern
- Other

For the year ended December 31, 2014, approximately 22% of all restricted contributions to the Foundation, with the exception of those received to establish a gift annuity, were used for administrative and fundraising expenses.
Recognizing a Lifetime of Support. The Stanley Logan Lifetime Giving Society recognizes the cumulative contributions of donors over time. When a donor’s total of irrevocable giving reaches $25,000 or more, the donor becomes a permanent member of the Stanley Logan Lifetime Giving Society.

$1 million or more
The Eby Family
Estate of Robert Trimble
Estate of Grace Wilson
Grace Wilson

$500,000 and above
Estate of Kenneth and Alma Worthington

$250,000 and above
Bernard and Rita Bailie
Millard and Martha Battles
Fred and Arlene Brandes
Janet Eby Norris
Estate of Frank and June Harris
Northwest Christian Community Foundation
Charles and Wilma Reagen
Estate of Ingrid A. Wolf

$100,000 and above
Anonymous
Kevin and Barbie Anderson
Harris and Margaret Christopher
Estate of Blanche Corning
Joseph and Helen DeVaux
Harriet J. Farman
James* and Betty Hall
Robert and Evelyn Klopfenstein
Tillie Loucks
Lowe Family 1998 Trust
Esther Miller

$50,000 and above
Anonymous (4)
Dan and Daria Absher
Debbie and Jim Bevier
Carrie and Lee Boulet
City of Auburn
Will and Priscilla Clardy
Thomas and Jan Crews
Ray and Deanna Daily
Lars Erickson
LeeAnn Farrell
Melvin and Eleanor Finkbeiner
Sandra Fokkema
Margaret Ellen Forland
William E. Forland
William Freitag
The Gardens Resident Council
Terese Grady Moon
and Steven Moon
Frank and June Harris

$25,000 and above
Anonymous (3)
Walter M. Arthur M.D.
Viola Bird
Caryl Bloom
Reginald and Dawn Branston
Wilbert Cadle
Larry and Pat Carney
William and Colleen Castner
Dale Chihuly
Molly and Donald Cone
Estate of Blanche Corning

Thank you for your support in 2014!

Every gift is greatly appreciated, and every effort has been made to ensure the accuracy of this listing; we apologize for any errors and ask that you report omissions or corrections to the Foundation office at 206.870.1334.
Recognizing Commitment Through Deferred Giving.
Rose Society members have made a deferred gift commitment to support Wesley Homes retirement communities or its programs. A deferred gift refers to a will commitment, a life income agreement (such as a charitable gift annuity or a charitable remainder trust), a beneficiary designation of a life insurance plan or retirement plan and other deferred gift instruments.

Anonymous (2)
Elsie M. Anderson
Kevin and Barbie Anderson
Ginny Andrews
Anne Avery and James Elliott
Bernard and Rita Bailie
Millard and Martha Battles
Paul and Betty Beeman
Ralph and Louise Black
Reginald and Dawn Branston
Jo Ann P. Brown
Mary R. Bruce
Elizabeth C. Buford
Scott and Diane Burns
Peggy J. Campbell
Susan C. Carson
William and Colleen Castner
Lee-Lee Castor
Will and Priscilla Claridy
Eleanor Clark
Elsie M. Clark
Molly J. Cone
Barbara J. Cooper
Joseph and Helen DeVaux
Marjorie Dickey
George Doolin
Freda J. Drake
Lena Dumesic
Leon and Sandra Eby
Janet Eby Norris
Virginia E. Edwards
Dennis and Cathleen Elbe
Harriet J. Farman
Melvin Finkbeiner
William E. Forland
Wesley and Ruth Frederick
C. Jeanne Galletly
Will and Betty Gering
Earl Gish
Jay Gruenefeld
Betty L. Hall
Anne Hartley
Anna S. Hasegawa
Gloria M. Helms
Dorothy C. Higgins
Kenneth Hoben
Doris Hollister
Ronald and Wilma Johnson
Charles W. Jones, Jr.
M. Mae Jung
Barbara Just and Barney Walls
Ruth M. Kenyon
Dorothea I. Kewley
Dorothy E. Kimbrell
Robert M. Klopfenstein
Beverly C. Klose
Eloise Lauritsen
Norman and Lola Lawson
Mildred M. Leberg
Agnes I. Lee
Mary Lee
Mildred A. Lewis-Smith
Joseph Matsen
Jane Maurich
Irene W. McCoy
Wilda F. McOmber
Wallace and Edith Meyers
Margaret R. Miller
Sam and Mary Ann Nagel, Jr.
Marylyn E. Nolting
Jeanne S. Pearson
Enola Peters
Dan and Jane E. Pryor
Margaret Race
Helen M. Reed
M. June Ross
James and Carol Russell
Dorothy A. Scheppke
Paul and Onalee Schneider
Jane E. Shafer
Barry Smith
Denman and Janet Smith
Janey L. Smith
Betty Sperline
Margaret W. Squires
Edmund and Blythe Stanton
Foster P. Stockwell
Harold and Margaret Sutlivef
Edwin and Marian Towle
Marjorie Tuell
Jean Vaughn
Elizabeth M. Waln
Don and Mary Jane Wasson
Janice C. Watson
Lawrence and Joan Whitney
Jean G. Witt
Joan M. Zitloukal

In Memoriam
Arlene Dahl
Eleanor Finkbeiner
Richard L. Garrity
Dale Hollister
James Lauritsen
Denton “Ray” Lee
Bob Trimble
Recognizing Leaders in Annual Giving. The President’s Club recognizes the annual contributions of donors totaling $1,000 or more in a calendar year. These gifts can support any charitable need, such as endowment, resident assistance, capital improvements, expansion or special programs.

$1,000,000 or more
- Estate of Robert Trimble

$50,000 and above
- Anonymous (2)
- City of Auburn
- LeeAnn Farrell
- Tillie Loucks
- Judy Pigott
- Richard and Mary Schoenman

$25,000 and above
- Dale Chihuly
- Corinne Garland
- The Glaser Foundation
- Marilyn Hahn
- Anne Hartley

$10,000 and above
- Anonymous (4)
- Rosalie Y. Armstrong
- Walter M. Arthur M.D.
- Millard and Martha Battles
- Debbie and Jim Bevier
- Carrie and Lee Boulet
- Larry and Pat Carney
- William Freitag
- The Gardens Resident Council
- Jay Gruenfeld
- Bill and Sallee Haskins
- Thomas Hikida
- Mary Kohl
- Riley and Jean Kuehn
- Thomas Hikida
- Mary Kohl
- Riley and Jean Kuehn
- Agnes Lee
- Dr. Donald & Beret Mott
- Rotary Club of Auburn, WA
- Estate of Roberta Sachs
- Karen Satterberg
- Rick and Judy Slater
- Soroptimist International of Auburn
- Estate of Merna B. Trowbridge

$5,000 and above
- Anonymous (1)
- Kevin and Barbie Anderson
- Rosemary Austin
- Chuck and Leila Booth
- Ole and Mary Brandal
- Columbia Bank
- Marie Durlinger, DDS
- Beverly Hunich
- Dick and Cathy Jobst
- Grace Kanda
- Kilbile & Prentice
- Lowe Family 1998 Trust
- Mary Kae McCullough
- Microsoft Matching Gift Program
- Carol Mohler
- Muckleshoot Indian Tribe Tribal
- Douglas and Suzy Myers
- Marie Nefert
- Roger and Dorothy Neill
- The New Horizons Foundation, Inc.
- George and Diane Pearson
- Dorothy Przybylski and Ron Gocken
- Margaret Race
- Robert Stevens
- Robert Trimble
- Annie Yoshimoto

$1,000 and above
- Marilyn Knutson
- Eloise Lauritsen
- Jim and Rusty Lewis
- Rex and Sandra Lund
- Shirley M. Martinson
- Susan and Glenn McConnell
- Kelly and Adrian Merry
- Jim and Gerri Passage
- The Seattle Foundation
- John and Lois Sheppard
- Denis and Sylvia Taft
- Elizabeth “Betty” Hall
- James Heunisch
- Insite Architects, Inc.
- Jean Kensek
- Lubna Khan
- Helen A. Kimmel
- Hugh and Brenda Kodama
- Lea Hill Resident Council
- Mary Lee
- Walter W. Liang
- Nora McPherson
- Thomas and Margaret Mesaros
- William Morgan
- Gary and Sandra Lee Mulhair
- Sheila and Donald Murray
- Russell Newman
- Ryan Niemi
- Patrick O’Neill
- Mary Louise Parker
- Gerald and Janice Post
- Frank and Jeanne Rasmussen
- Darla Reed
- Ed Rogel
- Jeani and George Rottle
- James and Carol Russell
- M. Darrel and Barbara Rottle
- J. David Snow and
- Barbara McLain
- Aija Stapars
- Betty A. Steiner
- Harold and Peg Sutlief
- The Terrace Resident Council
- Christine S. Tremain
- E. Lowell and Betty Vaughn
- Richard and Kay Wagner
- Betty Wahlen
- Washington Women’s Foundation
- Penny Weller
- E. Eileen Wise
- Jean Wit
- Phil and Linda Yates
Preparing for generations to come

Redevelopment plans are on track for our campus in Des Moines!

The Des Moines campus is now 70 years old. It’s time to update this beautiful campus into a new and contemporary retirement community complete with up-to-date amenities and spacious accommodations with spectacular views of Puget Sound.

We hope to begin construction in 2015 with the replacement of select Cottages. Development is planned to happen in phases with a brownstone-style residence, more cottages and a new Gardens building within the next five to six years. The building will include independent apartment homes and assisted living and memory care units. A Town Center is planned with several dining venues, a chapel, a wellness center, a pool and a sky bridge to connect The Gardens with The Terrace. Slated for the final phase, a new Health Center will feature private rooms and complete the care continuum on the south side of the Des Moines campus.

A new campus in Puyallup is underway!

Plans for Wesley Homes Bradley Park in Puyallup are progressing with the intent of beginning construction by early 2016. East Pierce County is without a continuing-care retirement community. Site plans are being drawn, discussed and revised. Community leaders and volunteers are involved in this important project and excitement and support are growing!

Fundraising plays a pivotal role in supporting these much needed communities. Wesley Homes is depending upon philanthropy for the Des Moines and Bradley Park campaigns to decrease borrowing and maintain affordability.

See how you can participate at foundation.wesleyhomes.org.

“The best part for us is the continued care that Wesley Homes provides. It gives peace of mind for all of us.”

PASTOR TIM KNIGHT
2014
Social Accountability Report

“We make a living by what we get, but we make a life by what we give.”
WINSTON CHURCHILL
Giving back to the community

As a not-for-profit and tax exempt organization, Wesley Homes embraces our responsibility to positively impact the communities where we live and work. We are aware of developing priorities and concerns of communities and actively participate in being part of solutions. This contribution is our “social accountability.”

The Wesley Homes Living the Mission Team expanded community support to include Fisher House at Joint Base Lewis-McChord. Des Moines, Lea Hill and corporate staff members donated five large bins of food, toiletries, cleaning supplies and more so service members and their families could relax while they received care at Madigan Army Medical Center. Our warm clothing drive for the Clothing Bank at Midway Community Covenant Church netted 10 boxes of coats, gloves, sweaters and more for children and adults.

Wesley Homes welcomed Missy Buchanan, a popular author and speaker on topics of aging and faith. Local clergy, residents and the greater community were treated to Missy’s inspirational nudge to continue to find purpose in life and influence others in positive ways.

The Des Moines Health Center staff delighted residents and the community with a travel program, where staff shared their heritage and foods from India, Fiji, Kenya, Ethiopia and the Philippines.

Wesley Homes is a faith-based organization providing retirement communities and a network of services for older adults.

With love and joy, we are called to meet the physical, social and spiritual needs of those we serve.

We affirm the worth of all those we serve and those who provide service.

“Thank you for making such an awesome place for people to live! You have seasonal events for families I have enjoyed: bingo, rummy, Easter egg hunts, summer BBQ games, dinner, Des Moines parades and chocolate chip mint ice cream! ☺ Thank you for the FUN!!!!

ALISA
The best resource at Wesley Homes is our compassionate staff. They have the greatest positive impact on Wesley Homes and the community, and we are honored to be a part of their professional and personal development.

To that end, Wesley Homes provides grants to staff members so they may further their education to better serve. The education grant, renamed the Howell C. and M. Jean Lowe Education Fund, was sustained by the generosity of the couple’s Legacy Gift so staff may enhance their skills.

Wesley Homes also helps staff in need of emergency financial aid due to natural disasters, needed medical and dental services not covered by insurance and death in the family with Employee Assistance grants.

We continued our Alzheimer’s & Parkinson’s caregiver support groups at the Des Moines Health Center. Our contributions to economic, social and environmental issues involved providing meeting space for community groups and non-profit organizations, including LeadingAge of Washington, the Lazy F Camp and Retreat Center, the Daughters of the American Revolution, Puget Sound Blood Bank and Paws 2 Guide Dogs. These agencies, in turn, have positive impacts on older adults and their families.
Other giving activities include the Des Moines and Auburn food banks, Northwest Harvest, 5th Tuesday Dinners at the Des Moines United Methodist Church, free blood pressure checks by Wesley Homes Home Health, Mary Bridge Children’s Hospital Pillowcase Drive and the Health Center Halloween Carnival for local children.

We supported community groups and events, such as the Waterland Parade, rotary clubs, the Des Moines Chili Cook-off, the Auburn Veteran’s Day Parade, the Alzheimer’s Walk and National Night Out.

“I love Wesley Homes because everyone is so kind and generous. Smiles are given freely!”

ROBERTA
Wesley Homes celebrated 70 years of service to older adults, a history that shows our dedication to the community and their belief and trust in us. Their faith in us strengthens our resolve to provide for older adults.

In 2014, the Bishop McConnell Scholarship Program provided 28 qualifying residents subsidies under the continuing care agreement. They were able to live at Wesley Homes because of the $538,124 subsidy provided by this program.

Wesley Homes Foundation raised funds for the Circle of Concern program, which provides support for Wesley Homes residents who have run out of funds through no fault of their own. This program was also financially supported by residents through the Lea Hill Garage Sale and the Annual Resident Bake Sale on the Des Moines campus. In 2014, the Circle of Concern program provided $302,240 in subsidies.

When Medicare reimbursements fell short for long-term care residents of Wesley Homes Health Center and Wesley Homes Home Health, Wesley Homes absorbed this shortfall of over $3 million.

**VALUE OF COMMUNITY BENEFIT AND SUBSIDIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Involvement</td>
<td>$34,627</td>
</tr>
<tr>
<td>Meeting Space</td>
<td>$70,934</td>
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<tr>
<td>Community Programs offered on our campuses</td>
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<tr>
<td>Education</td>
<td>$29,244</td>
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<tr>
<td>Community Benefit (subtotal)</td>
<td>$197,677</td>
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<tr>
<td>Reduced Rent, Subsidized Care and Assistance</td>
<td>$840,364</td>
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<tr>
<td>Medicaid shortfall</td>
<td>$3,121,212</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,159,253</strong></td>
</tr>
</tbody>
</table>

For Wesley Homes, these social benefits are a natural extension of our values and mission. In all we do to serve our residents, clients, staff, family members and greater communities, we do it because it’s the right thing to do.